

The NATIONAL UNDERWRITER



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The Concordia Fire Insurance Co. of Milwaukee
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Pittsburgh Underwriters • Keystone Underwriters
The Metropolitan Casualty Insurance Co. of N. Y.
Commercial Casualty Insurance Company



Western Department
844 Rush St.
Chicago, Illinois

Canadian Dept.
461 Bay St.
Toronto, Canada

HOME OFFICE
10 PARK PLACE
NEWARK, NEW JERSEY

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

THURSDAY, AUGUST 25, 1938

CHECK



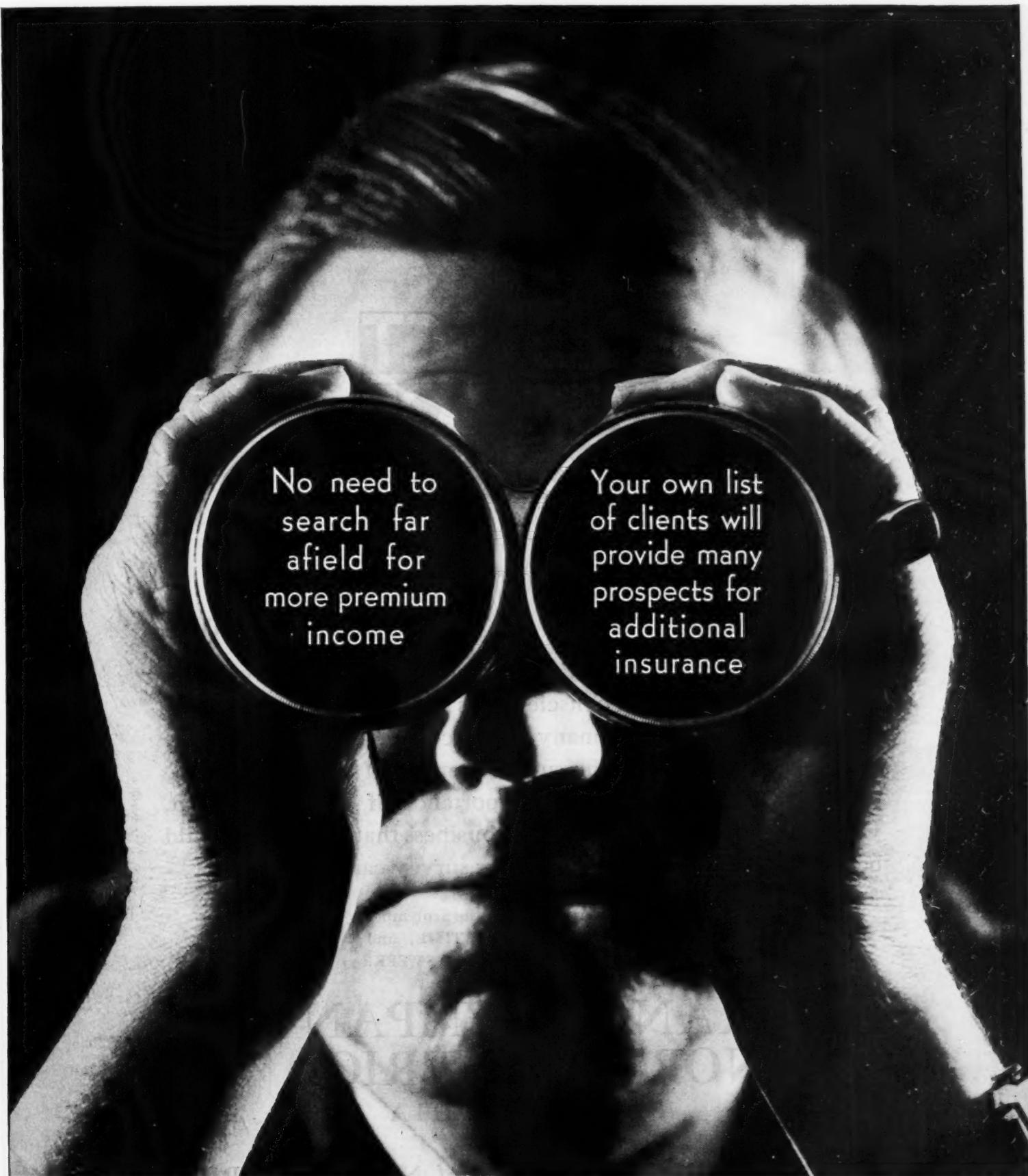
How many times
have you felt checked in
your efforts to try and
expand your busi-
ness? How often
have you wished
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group like

CRUM & FORSTER MANAGERS

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possible moves so
does every Crum
and Forster agent
when he utilizes the
facilities of the eight
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field representatives
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offices; our companies
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these services you
can check
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ing. The next move is up to you.
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you will never regret. Why not phone
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BRITISH AMERICA ASSURANCE COMPANY, UNITED STATES BRANCH INCORPORATED 1833 RICHMOND INSURANCE COMPANY ORGANIZED 1836
THE NORTH RIVER INSURANCE COMPANY ORGANIZED 1822 WESTERN ASSURANCE COMPANY, UNITED STATES BRANCH INCORPORATED 1851
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See our advertisement in the September
5th issues of LIFE and TIME, and
September 3rd issue of BUSINESS WEEK.

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INDEMNITY INSURANCE CO., of NORTH AMERICA
Write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policyholders Over \$66,000,000

The NATIONAL UNDERWRITER

Forty-second Year—No. 34

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 25, 1938

\$4.00 Per Year, 20 Cents a Copy

Canada Insurance Superintendents in Annual Conference

President Fisher Says Government Rating Bureaus Should Be Last Resort

VICTORIA, B. C.—Establishment of government rating bureaus should come only as last resort, "but there should be some form of supervision in order that solvency of companies may be maintained," declared President Arthur E. Fisher at the annual conference of the Superintendents of Insurance of Canada. Mr. Fisher is superintendent for Saskatchewan.

"As there are no anti-discriminatory laws in Canada a form of state supervision of rates will follow if effective action is not taken by companies," said Mr. Fisher.

In Saskatchewan, badly hit by drought and depression, "the proud record of insurance companies there remains undimmed," said Mr. Fisher. Life companies have contributed their share in rehabilitation of drought areas, voluntarily writing off large amounts of farm debt.

Earle Gives Talk

Speaking on state vs. federal supervision of insurance companies, Commissioner Earle of Oregon said insurance should not be interpreted as interstate commerce. Insurance is a simple contract against loss and is not to be bartered or shipped from one place to another for sale. The primary object of any form of supervision is to guarantee solvency of companies, regulate provisions of contracts, prohibit discriminatory rates and to secure prompt and just determination of claims. Most insurance companies are managed by men of high ideals and vision.

About 90 insurance officials, company and agency men from all parts of Canada and a few from the United States are in attendance.

Suggests Renewal Wording

The committee on accident and sickness insurance legislation recommended a change in the wording for the statutory provisions governing renewals presented. It also recommended that in the case of issuance of accident tickets through transportation companies and also in policies sold by newspaper coupons, there be printed on the policy in conspicuous type, "This policy is issued subject to the statutory conditions respecting contracts of accident insurance" so that it will not be necessary to print the statutory conditions on the policy itself. Recommendations were also made to permit the sale of accident ticket contracts by ticket agents or others employed in a transportation office.

The blanks committee reported that no major changes are contemplated in the blank which covers insurance other

National Agency Card for Annual Meeting

The completed program for the annual meeting of the National Association of Insurance Agents to be held at St. Paul, Sept. 26-29, has been promulgated. The official headquarters will be at two hotels, the St. Paul and the Lowry. The National association headquarters office will be at the Hotel St. Paul. The program is as follows:

Saturday, Sept. 24

9 a. m.—Meeting of national executive committee, Hotel St. Paul.

Sunday, Sept. 25

9 a. m.—Meeting of national executive committee, Hotel St. Paul.

9 p. m.—Dancing party and midnight supper at the "Castle Royal," night club on the bluffs of the Mississippi river.

Monday, Sept. 26

9:30 a. m.—Meeting of national executive committee, Hotel St. Paul.

2 p. m.—Continuation of meeting of national executive committee.

2 p. m.—Joint meeting of executive secretaries and managers of local boards and state associations, Hotel Lowry.

Tuesday, Sept. 27

9:30 a. m.—National councillors territorial conferences, all at Hotel Lowry.

All agents are welcome at the conferences. However, only authorized representatives of the states are eligible to vote.

Eastern Territory, E. J. Cole, Fall River, Mass., past president National Association of Insurance Agents, presiding.

Southern Territory, McAlister Carson, Charlotte, N. C., presiding.

Middle Western Territory, George W. Carter, Detroit, presiding.

Far Western Territory, G. C. Appleton, Fresno, Cal., presiding.

12:15 p. m.—Joint buffet luncheon and round table discussions for state association officers and national councillors, Hotel St. Paul.

Round table discussion subjects will be as follows: Membership, full-time secretary-manager, agency licensing laws, casualty cooperation through field men, state legislative activities, convention programs, cooperation with field men, collection of dues, state business development programs, "grab bag" (miscellaneous) discussions.

At 1:30 p. m. the state officers and national councillors will convene in meeting of the whole with W. H. Menn, Los Angeles, chairman national executive committee, presiding.

Report of finance committee, C. Stanley Stultz, Hightstown, N. J., chairman. Appointment of resolutions and nominations committees.

2 p. m.—Meeting of national executive committee, Hotel St. Paul.

2 p. m.—Rural agents conference, Hotel St. Paul, R. W. Forshey, Anita, Ia., chairman rural agents committee, presiding.

2 p. m.—Local board conferences.

Group 1.—Population up to 50,000, Hotel Lowry, L. F. Whelan, Greenwich, Conn., president Connecticut Association of Insurance Agents, presiding.

1. Eligibility rules for membership.

2. Organized local board advertising campaigns.

3. Survey of numerical strength and dollar purchasing power of local board membership.

4. Municipal insurance. (a) How to secure for the local board; (b) The method of distribution among the board

members; (c) Building the local board treasury.

5. Fire and accident prevention work of the local board.

6. Getting favorable publicity for local board activities.

7. Does the enforcement of reasonable local board rules and regulations governing members have an effect on the maintenance of ethical practices among insurance companies represented by the board membership?

8. Local board operation of a credit reporting system.

Group 2.—Population from 50,000 to 250,000, Hotel Lowry, W. H. Jennings, Jr., Rockford, Ill., president Illinois Association of Insurance Agents, presiding.

1. How can local boards promote ethical practices among members?

2. How can local board members be disciplined for violation of rules?

3. Should local boards handle public business as a unit?

4. If public business is handled by local boards, what is the best plan for distribution of commissions?

5. Advisability of a strong and well-enforced "in-or-out" rule.

6. Should dues in local boards be a flat sum, or graded upon premium income?

7. Should board rules cover fire, casualty and surety agents or fire agents only?

8. Should a program similar to that of the Business Development Office be undertaken in the casualty field?

9. How often should meetings be held and what should be done to encourage attendance?

10. Should membership requirements include coextensive membership in state and National associations?

Group 3.—Population above 250,000, Wayne C. Meek, Seattle, Wash., president King County Insurance Association, presiding.

Public relations.

a. Contacts through credit men's associations: (1) advantages, disadvantages.

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RETRACTION

In a recent issue in which reference was made to a third Texas reciprocal that had recently failed, unfortunately the name "Federal Underwriters of Waco" was used as one of these when it should have been the Republic Underwriters. There is a Federal Underwriters located at Galveston. The Federal Underwriters is entirely solvent and no criticism whatever has been made of it by the Texas department. As of Dec. 31, the assets of the Federal Underwriters were \$226,911, total liabilities \$81,499, surplus \$145,412. It operates in Louisiana and Texas. The Federal Underwriters has been doing business since Dec. 1, 1932. An examination of the Federal Underwriters was made by the Texas department last November and it was found it was in a thoroughly solvent condition.

THE NATIONAL UNDERWRITER deeply regrets that through an error of a news correspondent it was led into using the name of the "Federal Underwriters" in a way that led to its embarrassment. It is gratifying to this publication to place the Federal Underwriters entirely in the clear.

Grand Nest of the Blue Goose Now in Annual Muster

Convention Is Held in Los Angeles — Substance of Reports and Addresses

LOS ANGELES—The grand nest of the Blue Goose is holding its annual conclave here this week in charge of Most Loyal Grand Gander J. Clark Buchanan of this city. There is a large attendance of delegates from the various ponds. Others took the opportunity to go on a vacation and visit southern California. Most Loyal Grand Gander Buchanan in his address stated that the three cardinal principles of the order are "charity, character and fellowship."

Comments by Grand Gander

Most Loyal Grand Gander Buchanan stated that he assigned each grand officer certain duties and each assumed the responsibility for the regional territory which he represented. During the year 42 ponds were visited by grand nest officers.

The most loyal grand gander said that while criticisms have been made as to the expense of the grand nest at the same time it must be realized that this is the one place where all meet on common ground for the good of the whole membership. The benefits derived from grand nest meetings, he said, should not be under estimated. The actual administration of the order, he said, has been carried on at a very reasonable cost. The grand nest has investments in Canadian government bonds amounting to \$4,400. The most loyal grand gander spoke especially of the very fine service rendered by the grand wielder, R. A. Kenzel of Milwaukee. He recommended that there be set aside a special day called "Blue Goose Day" so that all ponds could observe it at the same time.

Following the grand nest meeting, a large number of ganders and their families will attend the open house of the San Francisco pond there on Aug. 29. A number of entertaining events and sightseeing trips are being arranged.

Gain in Membership Shown

Grand Wielder R. A. Kenzel reported total membership June 30 as 6,987, compared with the total of 6,747 a year earlier, a gain of 240. The past year 752 members were added, 598 by admission and 154 by reinstatement, for a gross total of 7,409. Loss of 53 members by death, 121 by resignation and 333 dropped reduced this to a net of 6,987. There are 145 life members. The Texas pond was awarded a silver cup for greatest percentage of increase in membership. The financial report showed a net balance of over \$5,000.

In line with the authorization at the 1937 grand nest meeting, the committee on constitution and by-laws, H. R. Underwood, chairman, proposed an amendment

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Card Is Now Completed for Iowa Agents Annual Rally

Full Program Has Been Arranged for Sessions in Sioux City Sept. 6-8

The completed program for the annual meeting of the Iowa Association of Insurance Agents in Sioux City, Sept. 6-8 is announced this week. The convention gets underway the evening of Sept. 6 with a dinner and meeting of the executive committee and past presidents and with a stag party. The rest of the program is:

Wednesday Morning, Sept. 7

Convention called to order by President C. Arthur Ruhl, Davenport.

Address of welcome, Mayor D. F. Loepf, Sioux City.

Response, Vice-president Ludwig Rubek, Cedar Rapids.

Report of the administration, President Ruhl.

Report of secretary, John S. Cutter, Shenandoah.

Report of executive committee, H. P. Pratt, Sioux City, chairman.

Appointment of convention committees.

A tribute to past presidents Fred W. Colvin, Wm. R. Weir, Lew Benedict and H. P. Guiney, given by J. R. Vaughan, Waterloo.

Address, "U. & O. as a Premium Builder," C. H. Smith, manager western department Hartford Fire.

Discussion, "How a Local Board Can Render Service on Public Business," led by A. M. Davis, Sioux City.

Luncheon, courtesy of Sioux City agents.

Wednesday Afternoon

Discussion, "Keeping Commissions on Property in Iowa for Iowa Local Agents," led by H. P. Pratt and Paul Howe, Sioux City.

Address, "Convention Examination of Insurance Companies," M. V. Pew, insurance commissioner of Iowa.

Address, "Sell Indemnity with Dividends in Reliable Service," F. S. Dauwalter, director Business Development Office.

Presentation of a "Resolution of Necessity," by H. C. Miller, Waterloo.

General discussion of future activities of state association to make membership more valuable to both city and farm agents.

Report of auditing committee.

Wednesday Evening

Anniversary banquet, Warrior Hotel, C. Arthur Ruhl, presiding.

Entertainment.

Introduction of officers and special guests.

Address, B. B. Hickenlooper, Cedar Rapids.

Thursday Morning, Sept. 8

Breakfast for local agents only, R. W. Forshaw, national councillor, presiding. Convention reassembles.

Report of resolutions committee.

"A Message from the National Association of Insurance Agents," James M. Crosby, Jr., Grand Rapids, Mich., member executive committee, National association.

"Fidelity Bonds Are a Necessity for Business, Big or Small," Fred W. Selzer, claim attorney, and Frank O'Brien, secretary, Fidelity & Casualty.

Report of nominating committee.

Awarding of attendance cup.

Unfinished business and new business.

Greetings from new officers.

Boost Illinois Agents Meet

The Illinois Association of Insurance Agents has got out the first of its series of bulletins to remind its membership that the annual meeting will take place in Peoria Nov. 16-17. The bulletins, in cartoon form, are unusually striking and original.

To Join Providence Washington

HARTFORD—E. B. Jurgenson, senior examiner of the Connecticut insurance department, will soon resign from the state service, it is reported, to become comptroller of the Providence Washington.

FIRE COMPANY STATEMENTS

(Report as of June 30, to Georgia insurance department)

	Capital or Deposit	Assets	Surplus	Income	Disbursements	Six Months
Aetna Fire	\$7,500,000	\$50,700,818	\$16,667,528	\$12,210,928	\$11,820,843	
Automobile, Conn.	5,000,000	25,021,077	7,824,736	6,771,329	6,389,952	
Alliance, Pa.	1,000,000	9,806,861	5,660,288	1,402,878	1,430,172	
Caledonian	645,000	3,499,456	1,789,017	860,964	866,226	
Concordia	1,000,000	4,226,003	1,472,265	1,048,741	906,766	
Empire State	1,000,000	3,671,707	1,489,333	704,124	579,146	
Eureka F. & M.	1,000,000	4,317,524	1,146,446	912,023	938,173	
Fire Association	2,000,000	20,783,870	8,088,469	4,309,026	5,106,800	
Firemen's, N. J.	9,397,690	32,602,593	6,871,078	6,804,214	6,861,113	
Girard Fire & Marine	1,000,000	4,278,859	1,234,086	1,021,107	985,114	
North America	12,000,000	98,173,298	55,095,584	13,597,515	14,585,940	
London & Scottish	200,000	1,567,590	993,087	176,799	195,240	
Milwaukee Mechanics	2,000,000	10,361,447	3,614,836	2,662,563	2,394,423	
Monarch Fire	819,336	3,486,385	576,528	931,584	948,269	
Norwich Union	400,000	5,756,907	1,849,902	1,502,990	1,538,258	
National-Ben Franklin	1,000,000	4,041,858	1,289,060	1,017,823	910,198	
National Security	1,000,000	2,697,791	1,120,278	284,724	245,487	
Philadelphia National	1,000,000	2,730,618	1,072,930	322,501	351,990	
Philadelphia F. & M.	1,000,000	5,859,133	3,114,690	775,642	733,872	
Pearl Assurance	400,000	18,924,605	7,629,975	5,793,101	4,139,039	
Patriotic	1,000,000	2,573,683	937,791	352,314	317,586	
Sentinel Fire	1,000,000	2,536,521	1,099,606	239,992	228,495	
Sun Und.	600,000	1,612,824	492,551	268,199	260,074	
Sun	400,000	6,837,603	2,829,420	1,850,706	1,860,396	
State Farm Fire	250,000	525,931	125,061	141,770	283,072	
General Exchange	4,000,000	47,205,692	22,614,318	10,663,183	10,941,344	
		307,827	194,369	86,849	76,951	
		RECIROCALS				
Lumberm. Und. Alliance	2,307,607	1,264,646	656,205	492,347		
Universal Und., Mo.	600,540	259,521	242,348	232,454		

Want J. M. McCormack Back as the Commissioner

CHATTANOOGA, TENN.—At regular monthly meeting all officers of the Chattanooga Insurance Exchange were reelected. They are: Web C. Brown, president; Herbert Spencer, vice-president; H. F. Wenning, secretary, and P. S. Daniel, treasurer. The renamed directors are F. L. Gates, W. S. Keese, Jr., Stanley Lachman, J. E. Taylor and R. R. Overby. A resolution was passed requesting Democratic Gubernatorial Nominee Prentice Cooper to reappoint J. M. McCormack of Memphis, commissioner of insurance and banking.

Mr. McCormack served in Nashville the first half of Mr. Browning's administration, was discharged following a political quarrel and replaced by John W. Britton. The Chattanooga contingent has nothing against Mr. Britton but favors Mr. McCormack.

Furthermore, several months ago the Chattanooga Exchange accused Governor Browning of favoritism in placing state insurance business, claimed that Chattanooga agents had been slighted. Mr. Browning completely ignored two comprehensive resolutions and, in his last appearance in Chattanooga, Mr. Britton refused to comment on the controversy.

File Colorado Statement of Fact

DENVER—After much bickering and revising, the statement of facts on im-

proper licensing of agents, which the Colorado Association of Insurance Agents and the Denver Association of Insurance Agents have prepared, was presented to Commissioner Cochrane with a request for a formal hearing. A hearing will be given the first week in September.

Renege on Montana Deal

HELENA, MONT.—District Judge Horsky has issued a temporary restraining order preventing payment from state funds of \$120,000 premium under a \$12,000,000 insurance policy issued by Minneapolis F. & M. covering a bridge owned by the state of Montana for a term of three years.

The restraining order followed action of the board of examiners in voting approval of the contract. Members of the board are directed to show cause Aug. 29 why a permanent injunction should not be issued. The policy was signed by B. J. Rack of Butte as resident agent and L. W. Eustace, Minneapolis, state agent Minneapolis F. & M. Governor Ayer voted against purchase of the policy.

J. K. Shepherd in Denver

J. K. Shepherd of Little Rock, past president of the American Association of Insurance General Agents, is visiting his son-in-law, Paul Ambrose, in Denver and was entertained at a dinner by W. L. Braerton, of Braerton, Simonson, Brown.

THE WEEK IN INSURANCE

Canadian insurance superintendents hold annual conference in Victoria, B.C.

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Speakers assigned for the meeting of the Insurance Advertising Conference.

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Annual meeting of the grand nest of the Blue Goose is being held in Los Angeles.

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Steps to be pursued in presenting federal insurance investigation are announced.

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New York constitutional convention reinstates provision permitting legislature to set up a system of state health insurance.

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Question of casualty loss reserves discussed by R. W. Forsyth at meeting of Oregon agents.

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Bar Association of Birmingham, Ala., wins a smashing victory in the lower court in its fight to hamstring independent insurance adjusters.

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Program for convention of Iowa Association of Insurance Agents announced.

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Program is announced for the annual meeting of the International Claim Association.

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Mutual agents' association program announced.

Page 4

Program is announced for the annual meeting of the International Claim Association.

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National Bureau reduces bank burglary rates and revises several other forms.

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G. E. Findlay is appointed Canadian manager of the Springfield group.

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Program Is Announced for Mutual Agents' Convention

Sessions Will Be Sept. 21-23 in Baltimore; Advance Registrations Indicate Large Attendance

The National Association of Mutual Insurance Agents will hold its annual convention at the Lord Baltimore Hotel, Baltimore, Sept. 21-23. Reservations indicate that attendance will exceed previous conventions. The program follows:

Wednesday, Sept. 21

Registration, 9 a. m. to 6:30 p. m. Golf tournament, Rodgers Forge Country Club.

7 p. m. "The Mixer," Lord Baltimore Hotel.

Thursday, Sept. 22

9:30 a. m. Address of welcome, Gov. H. W. Nice of Maryland.

President's address, C. C. Jennings. "Let's Shake Hands With Our Competitor," W. S. Nott, Richmond, Va.

"The Relationship of the Agent to His Association," W. E. Billings, Niagara Falls, N. Y.

"Insurance and Credit," H. H. Heinmann, executive manager National Association of Credit Men, New York City.

2:30 p. m. "Problems of the Limited Market," Floyd H. Craft, president North Carolina Association of Mutual Agents.

"The Girl in the Office," Kathryn G. Isenberg, Swigart Associates, Huntingdon, Pa.

"This Job of Selling," J. E. Magnus, manager J. S. Kemper & Co., Chicago.

"Lo! How Low the Rate," J. W. Huntington, manager Mill Mutuals, Ohio department, Columbus.

"Know Your Business," L. J. Ackerman, Van Wert, O.

Friday, Sept. 23

9:30 a. m. "Building With Mutual Insurance," Albert Peters, president Mutual Insurance Agency, Washington, D. C.

"Are You Insurance Educated?" E. R. Hardy, secretary-treasurer Insurance Institute of America, New York City.

"Looking Forward," E. I. Oakes, secretary National Association of Mutual Insurance Agents, Washington, D. C.

5:30 p. m. Secretary's report.

Election of directors.

Report of resolutions committee.

Business meeting.

Jottings from Blue Goose Grand Nest Parley

Grand Wielder R. A. Kenzel and Grand Keeper C. J. Malcolm were the ganders first to arrive for the Blue Goose grand nest convention in Los Angeles.

* * *

General Chairman V. W. McKinney of the California pond committee handling the convention was on the job meeting the first delegates and escorting them to their hotels.

* * *

The opening of the grand nest convention was somewhat saddened by the receipt of the information of the death of J. Charles Harris of San Francisco, past most loyal grand gander. One of the last Blue Goose activities he performed was attaching his signature to the report of the jurisprudence committee.

* * *

Fourteen bell boys and six porters at the Hotel Biltmore were not sufficient in force to handle the Blue Goose baggage on arrival of the Blue Goose special Monday morning.

* * *

W. T. Benallack of Detroit, past most loyal grand gander, who hasn't missed a convention in 32 years, heads the list of past heads of the order in attendance at the convention. Other early arrivals were H. Verne Myers of Waterloo, Ia., and H. B. Leuty, Vancouver, B. C.

* * *

San Francisco pond members made quite a splash when they reached headquarters. They endeavored to tag every gander and his wife as a prospective visitor to the San Francisco World's Fair next year. They announced that convention visitors who planned return home via their city would be accorded every courtesy by pond members during their visit.

U. S. Probers Soon to Subpoena Insurers' Records

Will Announce Dates of Hearings, Names of Witnesses Next Month

WASHINGTON — Records, books and correspondence of insurance companies are expected to be demanded early next month by the administration monopoly committee, it was learned in Washington this week.

Insurance companies, it was said, would be among the first groups to which subpoenas would be issued, calling upon them to submit information sought by the field investigators of the government agencies represented on the committee.

Following the call for records, subpoenas will be issued requiring the attendance of executives of various companies at the hearings which the committee will open, probably some time next month, it was said by Leon Henderson, executive secretary.

Mr. Henderson said that no difficulty had been encountered in securing information from any business concern approached but the subpoenas would be issued to make it formal.

No information will be divulged which is secured from company records, but the names of officials who are to be called as witnesses will probably be announced after the committee meets next month to fix dates for its hearings.

BINKLEY TO TREAT ISSUE

L. F. Binkley of the Chicago law firm of Eker & Meyers, at the meeting of the Chicago Life Insurance Lawyers Club, Sept. 13, will give a paper on the statutes which may be involved in the federal anti-monopoly investigation of insurance companies.

Incorporate Knoxville Board

The Knoxville Association of Insurance Agents, which was organized in 1872, is in process of being incorporated and will be known as the Knoxville Insurance Exchange. The 20 agencies representing stock companies in the city will belong to the new organization.

Earle Outlines Ideas On Company Examinations

PORLAND, ORE.—Commissioner Earle of Oregon, speaking at the meeting here of the Oregon State Agents Association, outlined in general terms his ideas in regard to the subject of company examinations, but made no direct reference to his controversy with the New York department over that subject and his announced intention to go ahead with the examination of New York companies.

After telling of his activity in the establishment of the zone system of examinations by the National Association of Insurance Commissioners, he said: "I had considerable personal experience and suffered monetary loss through companies folding up while I was representing them as local agent. I decided then that in so far as possible I would see to it, as insurance commissioner, that it would be impossible for an agent to represent in Oregon other than a sound company. I am determined that the citizens of Oregon and their insurance agents, through their insurance department, shall definitely know the conditions of the companies operating in this state."

Commissioner Earle said he came to his post with 16 years experience as a local agent writing all lines and no pre-conceived ideas as to reforms, changes or modes of operation other than the firm conviction the insurance business should be conducted by insurance men and a natural sympathy for the legitimate local agent and his problems. As an active member of state and local associations, he appreciated their work and their aims.

He reviewed his efforts toward weeding out the unfit, part-timers and those whose activities were not such as to make them desirable agents. He said this was done not so much by reason of any statute but through the whole-hearted cooperation of the companies and their representatives, to the advantage of the insuring public, the legitimate agents and the companies themselves.

Basis of Oregon Rates

On the question of rates he said:

"I have always believed that Oregon rates should be based on Oregon experience and under our code—providing that the commissioner shall approve amended schedules—have required all companies to justify proposed changes in rates. This department is in no sense attempting to make rates for the companies, but is simply in the position of wanting to

Speakers Assigned for the Advertising Meeting

Members of the Organization Will Make Up the Program for Sept. 12-13

A symposium of informative discussions will comprise the program arranged for fire and casualty representatives attending the annual convention of the Insurance Advertising Conference, at the Oyster Harbors Club, Osterville, Mass., on Sept. 12-13. Among the speakers are the following, all members: C. A. Palmer, North America, "The Evolution of a National Advertising Program;" D. C. Gibson, Maryland Casualty, "So You Are Going to Select an Advertising Agency;" R. W. Bugli, London Assurance, "Merchandising Advertising to Local Agents;" A. D. Grose, Employers Liability group, "National Advertising and the Local Agent;" H. E. Taylor, American, "Advertising With an Objective;" E. E. Vogt, Millers National, "Increasing the Effectiveness of Trade Paper Advertising by Direct-by-Mail;" C. J. Fitzpatrick, U. S. Fidelity & Guaranty, "Even Agents Prefer to Read the Menu Card Before They Order;" C. W. Smitheman, Camden Fire, "Getting Agents to Work with You on Specific Campaigns;" W. L. Lewis, Agricultural, "The Advertising Department and Fire Prevention Work;" J. W. Mason, National Fire, "A Good Camera Has a Place in the Advertising Department;" W. J. Traynor, North British & Mercantile, "The Merchandising of Calendars;" S. F. Withe, Aetna Casualty & Surety, "Educational Motion Pictures—a Ready Made Public Relations Campaign for the Local Agent," and John Ashmead, Phoenix of Hartford, "Radio Technique."

The program was arranged by C. J. Fitzpatrick who will preside at Tuesday's group session while the chairman for the Monday group meeting is Mr. Gibson.

know 'why.' This position has resulted in the abandonment of proposed increases in a number of instances.

"I have always believed that the least governed the best governed, and I am much gratified at the results obtained through conferences, discussions and meetings with all parties interested. I am referring particularly to non-admitted companies, and we now have the non-admitted companies placing their insurance through legitimate surplus line

Coble Is Named Oregon President at Portland Meet

Healthy Status of Association Reported by Schmeer — Outstanding Speakers

NEW OFFICERS ELECTED

President—Ward H. Coble, Bend.
Chairman Executive Committee—James T. Goodman, Portland.

National Councillor—R. W. Schmeer, retiring president, Portland.

Executive committee—Will be selected later.

Secretary-treasurer—Mark A. Goldy, Medford (reelected).

PORLAND, ORE.—Over 250 registered at the Oregon State Agents Association's annual meeting here. Ward H. Coble, Bend, was elected president, succeeding Robert W. Schmeer. The progress of the organization was reviewed by Mr. Schmeer in his annual report. Membership is now at a new all-time high and its financial condition is excellent. The association now places all the insurance required by the Oregon state liquor commission, the fire insurance on buildings operated by the board of higher education and the public liability and property damage insurance on the automobiles operated by the state board of control. Last November a change in rules, rates and commissions was secured, which places the stock company agents in a better competitive position.

The Oregon association and the Portland Exchange have worked closely during the year toward the elimination of part-timers, cut rate business and the

(CONTINUED ON PAGE 25)

agents which is the proper place under our code.

"In order to be a good insurance commissioner one should be able to think faster than the insurance companies and their representatives. This is quite a contract. My thought here is that if we can head off a disturbing practice before it is started, it is much better than hearings or suits to stop such a practice."

BLUE GOOSE LEADERS AT GRAND NEST MEETING



J. C. BUCHANAN, Los Angeles
Most Loyal Grand Gander



R. A. KENZEL, Milwaukee
Grand Wielder



J. R. KNOWLAN, Philadelphia
Grand Custodian



B. S. MCKEEEL, Raleigh, N. C.
Grand Guardian

Bennett Urges Investment By Agents in Business

Time and Effort in Fitting Selves for Life Work Emphasized in Oregon Convention

Nationally, the insurance business is "cluttered up with incompetent and irresponsible misrepresentatives of insurance companies," W. H. Bennett, general counsel National Association of Insurance Agents, told the Oregon State Agents Association at its annual convention held in Portland.

He urged the Oregon agents to make an investment of time and effort in studying the business and becoming equipped to make it their life work. It is an investment that would pay large dividends, he said.

Three fundamental requisites must be present if an agent is to make such an investment, he said. They are character rooted and grounded in orderly processes, reputation for fair and honest dealings, honesty, integrity and industry applied to every daily transaction.

"I recommend that no sounder investment can be made in any business than

one which represents a sterling character, an enviable reputation, a comprehensive knowledge and an efficient will to press forward in the high calling which you are making your life work," Mr. Bennett said.

"It is properly the laudable ambition of every man to make the most he can out of life; to make his business constantly better and more profitable and to increase his standing and stature in his own community. When this kind of an investment is made, there need be little worry as to its soundness or its return." He counseled self-examination.

Incompetents Are Harmful

The sizable army of incompetent field representatives is no credit to the insurance institution, the companies or public, which ought to have the highest type of first-class services, he said. Yet there is a measure of clearing up in this condition, partially due to securing adequate licensing laws, solely through efforts of the organized agents, assisted, in many instances, by supervising state officials.

"It has not been a voluntary movement upon the part of the companies, where the reform should have originated," Mr. Bennett noted. The incompetent agent has made little, if any investment in the agency business and

consequently the return is of a minimum character.

"While I claim no inherent or vested interest in any class of men so far as the agency business is concerned, I do affirm that it belongs to those who are worthy and well qualified, who work at the job, who are serious about this business, who are determined to make it their life work and whose knowledge and information permit them to register as true and genuine representatives of the insurance business."

Hobbs Without Opponent

Commissioner Hobbs of Kansas, re-nominated on the Republican ticket earlier this month, is without an opponent on the Democratic ticket as a result of the withdrawal of J. F. Farley of Wichita, who has accepted a private business connection. It is probable that the Democratic committee will select a candidate at its meeting Aug. 30. Frank L. Britton, fire insurance field man and former company executive, who was defeated by Mr. Farley for the nomination, may be placed on the ticket.

The R. E. Hackett Agency, Milwaukee, has been incorporated by R. E. Hackett, L. D. Burns and G. A. Burns. Mr. Hackett has been with the Calhoun Insurance Agency.

Marks 25th Anniversary With the National Fire



C. B. ROULET

C. B. Roulet, vice-president National Fire group, is celebrating the 25th anniversary of his joining the National. He was one of the pioneers of the automobile industry. After several years with the Deering Harvester Company he joined an advertising agency then handling the account of the American Electric Vehicle Company, a concern he soon joined.

In 1901 he joined the electrical department of the National Board. He became chief electrical inspector, later secretary of the Texas Fire Prevention Bureau and, in 1909, manager of Texas fire insurance actuarial office. In 1913 he joined the National Fire as general agent and in two years started the automobile department which later became the automobile and inland marine department.

Liscomb in St. Paul to Plan for Convention

ST. PAUL—With the annual convention of the National Association of Insurance Agents only a month away, President C. F. Liscomb came down from Duluth this week to confer with the executive committee of the Insurance Exchange of St. Paul, host at the meeting. They went over the arrangements details with especial attention to the housing accommodations. The entertainment features of the convention also were discussed.

The Minnesota Association of Insurance Agents has decided to hold its annual meeting at the St. Paul hotel the morning of Sept. 27. The business will be completed in time for members to attend the opening sessions of the national gathering that afternoon.

Pink Gives Instructions on Valuation of Securities

NEW YORK—As chairman of the committee on valuation of securities of the National Association of Insurance Commissioners, Superintendent Pink of New York advises that valuations this year will be prepared by Moody's Investors' Service. He urges insurers to send to Moody's within the next few days lists of bonds and stocks acquired thus far in 1938, excluding issues appearing in last year's book. Lists of securities that may be purchased during the remainder of the year should be reported monthly. It is requested that a record be made of bonds of states, Canadian provinces or political subdivisions of each that are in default, either as to principal or interest.

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Strength, Safety and Service have spread the reputation of THE PEARL among producers and buyers of insurance on every continent. Thus it is a strong point of prestige for agents to represent The Pearl Assurance Company, Ltd.—"One of the Strongest Insurance Institutions in the World."

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CLEVELAND, O. 830 Cuyahoga Bldg.	CINCINNATI, O. 1724 Carew Tower	SAN FRANCISCO 200 Bush Street

Home Office Building
Providence Washington
Insurance CompanyChamber of Commerce Building
(Dating from Revolutionary War)

Providence County Court House

THE Providence Washington has always been associated with the history of the city of Providence and the company has grown as the city itself has—conservatively, solidly and steadily. Insurance men, when they think of the city of Providence, naturally think of the Providence Washington, not only because of the name, but because it is an outstanding institution of Providence.

Today the company is operating through more than 5,000 agents in every state in the Union, in all of the United States territories except Puerto Rico and the Philippines, in Canada, and has agencies in the principal ports and countries of the world. It is a strong institution that stands high in the insurance world and has served with conspicuous honor through all the conflagrations and other difficulties experienced in this country.

If you are interested in a company of this type write for agency information.

These companies write the following classes of Insurance:

FIRE—TORNADO—OCEAN—INLAND MARINE and ALL RISKS and their allied lines—AUTOMOBILE—
FIRE, THEFT and COLLISION

PROVIDENCE WASHINGTON
INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND
INCORPORATED 1799 ★ CAPITAL \$3,000,000.00

ANCHOR INSURANCE COMPANY

Incorporated 1928 ★ PROVIDENCE, RHODE ISLAND ★ Capital \$1,000,000.00



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AT THE
16TH ANNUAL CONVENTION
SEPTEMBER 12-13
 OF THE
INSURANCE ADVERTISING CONFERENCE
OYSTER HARBORS CLUB
 OSTERVILLE, MASS.

"....to enjoy the certain benefits of a closer association and cooperation with our colleagues....to exchange accurate and reliable information of value relative to the advertising of insurance...."

— FROM PREAMBLE, I. A. C. CONSTITUTION

Your representative will be welcome

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 Insurance Company Ltd.
 90 John Street, New York

A Large Company Doing An International Insurance Business. Offices Are Located Throughout The World.

FIRE

AUTOMOBILE

MARINE

HARRY G. CASPER
 United States Manager

BERT A. JOCHEN
 Assistant U. S. Manager

NEWS OF FIELD MEN

J. Charles Harris Is Dead

San Franciscan, Who Served as Head of the Blue Goose in 1928-29 Suffers Stroke

J. Charles Harris, past most loyal grand gander of the Blue Goose, died at his home in Lake Tahoe, Cal., fol-

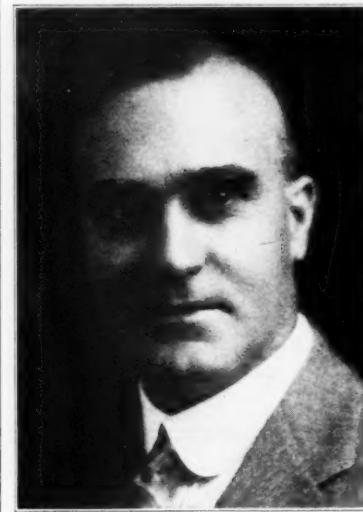
lina with Richmond headquarters. He will cover the territory jointly with Hugh W. Kirkpatrick, who has been supervising the territory alone for many years, with Richmond headquarters. Mr. Hosier, whose father operates a local agency in Suffolk, has been a special agent of the Virginia rating bureau, traveling out of Alexandria.

N. J. Field Club Dinner

More than 40 members of the New Jersey Field Club attended a dinner meeting at the Masasquan River Golf Club, Brielle. N. J. Howard Waterhouse, Aetna Fire, was elected a member. The next meeting may be held in conjunction with the annual meeting of the New Jersey Association of Underwriters in Asbury Park, Sept. 15-16.

Shift Spaulding to Maryland

Great American has transferred Special Agent Harry G. Spaulding, Jr., from Louisiana to Maryland. The Louisiana vacancy is filled by George D. Hanger, who recently has been in the Washington, D. C., office of Great American and previously was at the home office.



J. CHARLES HARRIS

lowing a stroke. He suffered an injury in 1925 that caused him to be a cripple. In 1924 he was elected to grand nest office and progressed until he became most loyal grand gander in 1928. He continued his interest in Blue Goose affairs and usually sent a message to the grand nest meeting.

For the past several years Mr. Harris had served as secretary of the conference of Pacific Coast Blue Goose Ponds, a group which he was largely instrumental in organizing. He was one of the organizers of the Golden Gate pond which later became the San Francisco pond.

At the time of his accident he was superintendent of agencies for National Fire of Hartford in charge of southern California.

Funeral services Tuesday afternoon in Oakland were attended by hundreds.

Globe & Rutgers Changes

Special agent R. S. Shephard of the Globe & Rutgers and American Home will Sept. 1 be transferred from New Jersey to the New York suburban field, filling thereby the vacancy created through the recent death of Special Agent Edward Beine. Supervision of the entire state of New Jersey for the companies will be in the hands of Special Agent D. N. Morrison, who joined the field force of the organization a short time ago, after extended experience in the territory. Mr. Shephard has been connected with the Globe & Rutgers, both in office and field since 1916, being an examiner of its New York suburban business before going into New Jersey as a special agent.

Western Reserve Outing

The Western Reserve puddle of the Ohio Blue Goose will have a golf party and dinner at the Shady Hollow Country Club at Canton, Sept. 1. Frank E. Greene of the National of Hartford is chairman of the entertainment committee.

Hosier to Atlas

James W. Hosier, Jr., has been appointed special agent of the Atlas in Virginia and part of North Caro-

CHICAGO

C. F. RUPPRECHT IN CHICAGO

C. F. Rupprecht of the North America head office executive staff, will spend the next three weeks in the Chicago western department office. After resigning as assistant U. S. manager of Commercial Union to go with North America, Mr. Rupprecht went to the Pacific Coast to get acquainted with the North America organization there, spending three weeks. He arrived in Chicago from the Coast this week.

LIFE MEMBERS' MEETING

The executive committee of the Society of Life Members of the Fire Underwriters Association of the Northwest met in Chicago last week, there being present President E. S. Phelps, Burlington, Ia.; Vice-president W. H. Linner, Secretary W. J. Sonnen, Clarke J. Munn, Cook County Loss Adjustment Bureau; W. P. Robertson, North America; W. K. Maxwell, Hanover, all of Chicago, and John F. Stafford, Babson Park, Fla. It was voted to hold the annual meeting Oct. 25, in the Hotel LaSalle, Chicago. All members of the Northwest association whether they are life or associate members will be invited to be present. The price of the dinner is \$2.

The program and entertainment are in charge of a committee consisting of Mr. Munn, chairman; R. L. Nicholson, Milwaukee, state agent Michigan F. & M., and W. J. Tippery, assistant manager Aetna Fire. The memorial committee consists of C. M. Cartwright, THE NATIONAL UNDERWRITER, chairman; Carroll L. DeWitt, Bronxville, N. Y., and

You'll like the friendly interest of our organization. Maybe you're eligible to represent us. Write.

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THE PHOENIX INSURANCE COMPANY OF HARTFORD, CONNECTICUT

Cash Capital, \$6,000,000.00
 Surplus to Policyholders, \$44,807,872.44

American Equitable Assurance Company of New York
Organized 1918 Capital \$1,000,000.00

Globe & Republic Insurance Company of America
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

Knickerbocker Insurance Company of New York
Organized 1913 Capital \$1,000,000.00

Merchants and Manufacturers Fire Insurance Company
Trenton, N. J. Capital \$1,000,000.00 Chartered 1849

New York Fire Insurance Company
Incorporated 1832 Capital \$1,000,000.00

Sussex Fire Insurance Company
Newark, N. J. Incorporated 1928
Capital \$1,000,000.00

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WRITING FIRE AND ALLIED LINES OF INSURANCE

Since organization this Group has paid losses in excess of
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Represented by leading insurance agents throughout the country

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CHICAGO

KANSAS CITY

SAN FRANCISCO

TRENTON

PHILADELPHIA

MONTREAL

92 William Street

Corroon & Reynolds
Incorporated
MANAGER

New York

D. O. Stine, retired Wisconsin state agent St. Paul F. & M. The nominating committee consists of Mr. Robertson, chairman; Mr. Maxwell and A. F. Powrie, western manager Fire Association.

LEO B. EYLAR IS DEAD

Leo B. Eylar, special agent in the arson division of the National Board in Chicago, died Tuesday morning in a hospital in Aurora, Ill. He underwent a kidney operation last week and had been ailing for about three years. He was 52 years of age. Mrs. Eylar died on Easter this year. They had eight children. A son, Ollie Eylar, is connected with Underwriters Adjusting in Cleveland.

Mr. Eylar had been with the National

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You will be kept up-to-date
in insurance coverage as
an agent for this company.
Find out if there is an
opening in your territory.

SINCE 1850
Connecticut
FIRE INSURANCE CO.
OF HARTFORD, CONNECTICUT
Cash Capital, \$2,000,000.00
Surplus to Policyholders, \$15,190,811.89

Board since 1926. Previously for six years he served as auditor of Pike county, Ohio. Funeral services are being held Thursday afternoon in Wheaton, Ill., which was his home town.

THROCKMORTON IS RECOVERING

Sydney L. Throckmorton, well known Chicago broker, formerly with Marsh & McLennan, who was stricken with infantile paralysis last September and has been in an iron lung ever since that time, is now able to leave the iron lung completely and is making rapid recovery. He was transferred to the Hines Hospital, Hines, Ill., last January and is now able to receive visitors there, for the first time since he was taken ill.

NEW YORK

A. O. PHELPS, JR., MARRIED

A. O. Phelps, Jr., secretary of John C. Litt & Co., New York brokers, was married to Miss Janice Mutter of Arlington, N. J. They will reside in Avon, N. J. Mr. Phelps formerly was with Marsh & McLennan in Chicago.

N. Y. BOARD PATROL ASSESSMENT

The New York Board has fixed the fire patrol assessment at \$2 per \$100 of premiums and the general expense assessment at 20 cents for the last half of the year. The fire patrol assessment is the same as the payment for the first half of this year and the general expense assessment is the same as that of the last half of 1937. For the first half of 1938 the general expense assessment was 40 cents.

ALVA JOHNSTON TO REPLY

Alva Johnston, author of the article, "Jimmy's Got It," which appeared in a recent issue of the "Saturday Evening Post," it is understood, intends to compose another article that will discuss the reply of James Roosevelt "I'm Glad You Asked Me" that appeared in the last two issues of "Collier's." Mr. Johnston states he is not a whit daunted by James Roosevelt's answer and that he has a lot of material which he has not yet used.

The inference is that the second installment from the pen of Mr. Johnston will be largely of a technical insurance nature which the public would not readily comprehend but which would be easily understandable to insurance people. Hence the speculation is as to whether the rejoinder by Mr. Johnston will appear in the pages of the "Saturday Evening Post" or in some other publication.

F. S. DAUWALTER'S ITINERARY

The present itinerary of F. S. Dauwalt, director Business Development Office, calls for his appearance at the annual meeting of the Iowa agents at Sioux City, Sept. 7-8; thence to Dayton, O., where he will speak before a regional gathering, Sept. 9. He will be on hand for the annual meeting of the New Jersey Agents association at Asbury Park, Sept. 15-16, and the week of Sept. 26 will find him at St. Paul, where the National Association of Insurance Agents is to hold its annual convention.

WILL GO ON AGENCY TRIP

F. A. Hubbard and Olin L. Brooks, respectively chairman of the board and president of the Globe & Rutgers and American Home, will shortly start on an agency trip along the Pacific Coast, the first to be taken by Mr. Brooks since he assumed his present offices.

HEARING ON INSURANCE CODE

Following the public hearing at Glens Falls a short time ago, the joint legislative committee for the recodification of the insurance laws of New York held an open session at Watertown Aug. 19, and plans a further public gathering, probably at Binghamton, the latter part of this month. Interest at the Water-

Chairman



A. F. POWRIE, Chiengo

Western Manager A. F. Powrie of the Fire Association, immediate past president of the Western Underwriters Association, is chairman of the committee on order of business for its mid-year meeting to be held at Hot Springs, Va., Oct. 4-5.

town meeting centered largely about the suggested broadening of the powers of marine companies. Casualty companies objected to the former type of carriers encroaching upon what the latter hold to be their particular preserves. There was some discussion as to the collection of the fire premium tax for the benefit of volunteer fire departments, which get

excited over any mentioned change in the existing statute, fearing they would suffer in consequence. As a matter of fact it was pointed out the return to the firemen would amount to that now received, the only change that would occur, should the law be altered, being in the method of tax distribution.

OFFERS SELLING HELPS

Beginning with the current August magazine advertisement, the National Board is offering a new selling help to agents in the form of three-column adaptations of each month's magazine advertisement for use in newspapers. In these the high quality magazine illustrations are redrawn each month for local newspaper reproduction and are available in mat form for the local advertising of individual agencies as well as local boards or insurance exchanges. In some, the agent's name and address alone are sufficient to be added.

Changes in Committees

OKLAHOMA CITY — Several changes have been made in the standing committees of the National Association of Insurance Commissioners since the announcement by President Julian of Alabama. Superintendent McNair of Ontario has been added to the standard fire insurance policy committee by the special committee authorized to name a representative of Canada to the committee. Charles Hansen, Missouri department actuary, has been appointed to succeed T. C. Mitchell on the blanks committee.

Agricultural's Figures

The semi-annual statement of the Agricultural shows assets \$14,467,918, premium reserve \$5,450,092, capital \$3,000,000, net surplus \$4,959,923, increase \$555,000. The net premiums for the first six months amount to \$2,958,550, losses incurred \$1,230,484, expenses incurred \$1,042,266. Its reserves increased \$164,791.

"Where's that Agent's card?"



Ah, but it is too late to
insure the car after it is
stolen—and over 100,000
are stolen every year. Northern agents
are on their toes and sell their clients
automobile insurance before the loss
occurs. It will pay you to represent the

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AGENTS EVERYWHERE



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UNION
FIRE INSURANCE
COMPANY
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**A
GOOD AGENCY
COMPANY**



Conventions

Aug. 31-Sept. 3—International Association of Insurance Counsel, Grand Hotel, Mackinac Island.
 Sept. 7-8—Iowa Agents, Warrior Hotel, Sioux City.
 Sept. 9-10—Wyoming Agents, Townsend Hotel, Casper.
 Sept. 12-13—Insurance Advertising Conference, Oyster Harbor Club, Osterville, Mass.
 Sept. 12-14—International Claim Association, Greenbrier Hotel, White Sulphur Springs, W. Va.
 Sept. 12-14—Pennsylvania Agents, Galen Hall, Wernersville.
 Sept. 15—Vermont Agents, Lake Morey Inn, Fairlee.
 Sept. 15-16—New Jersey Agents, Berkeley-Carteret Hotel, Asbury Park, N. J.
 Sept. 16-17—Colorado Agents, Congress Hotel, Pueblo.
 Sept. 16-17—Montana Agents, annual meeting, Anaconda.
 Sept. 19-22—Casualty Organizations, Greenbrier Hotel, White Sulphur Springs, W. Va.
 Sept. 21-23—National Association of Mutual Insurance Agents, Lord Baltimore Hotel, Baltimore.
 Sept. 23-24—New Mexico Local Agents, Santa Fe.
 Sept. 26-29—Annual Meeting National Association of Insurance Agents, St. Paul and Lowry Hotels, St. Paul.
 Sept. 27—Minnesota Agents, St. Paul.
 Oct. 2-8—National Association of Mutual Insurance Companies, Syracuse Hotel, Syracuse, N. Y.
 Oct. 4-5—Western Underwriters Association, Homestead Hotel, Hot Springs, Va.
 Oct. 4-5—Michigan Agents, Occidental Hotel, Muskegon.
 Oct. 6-7—New York Insurance Federation, Nelson House, Poughkeepsie.
 Oct. 6-7—Wisconsin Agents, Sheboygan Association of Commerce, Sheboygan.
 Oct. 5-7—Kansas Agents, Lassen Hotel, Wichita.
 Oct. 11—South Dakota Fire & Casualty Agents Association, Mitchell.
 Oct. 13—Ontario Fire & Casualty Insurance Agents Association, Royal York Hotel, Toronto, Canada.
 Oct. 13-14—Tennessee Agents, Peabody Hotel, Memphis.
 Oct. 13-15—Maryland Agents, Fort Cumberland Hotel, Cumberland.
 Oct. 17-18—Missouri Agents, Statler Hotel, St. Louis.
 Oct. 17-19—Ohio Agents, Mayflower Hotel, Akron.
 Oct. 24-26—California agents, Hotel Californian, Fresno.
 Oct. 25—Annual Meeting Society of Life Members Northwest Association, Hotel LaSalle, Chicago.
 Oct. 27-28—Wisconsin Association of Mutual Insurance Companies, Hotel Schroeder, Milwaukee.
 Nov. 16-17—Illinois Agents, Pere Marquette Hotel, Peoria.
 Dec. 5-7—National Association of Insurance Commissioners, Fort Des Moines Hotel, Des Moines, Ia.

MARINE

Loan Receipt Form Improved

London Assurance Group Devise Instrument to Expedite Matters for Insurer in Inland Marine Field

An improved form of inland marine loan receipt incorporating a power of attorney has been devised by Walter Meiss, executive general agent of the London Assurance group, in collaboration with Attorney Joseph Greenhill of New York. The group is represented in the inland marine field by Manhattan F. & M. and Union of Paris.

With the power of attorney feature in the new form, a company may sue in an assured's name, conduct all negotiations for settlement and payment and sign any release in the name of the assured. As a result, it is expected that the new form will expedite matters for the insurer where there is a possibility of collection and will prove a time-saver for the assured.

The form is expected to eliminate seeking an assured who has moved, gone out of business or fallen into legal difficulties, at the same time retaining for the insurer exclusive control of any proceedings undertaken to make a collec-

New Hazard Revealed in the Sand Hills

LINCOLN, NEB.—Fire companies should add this to hazards. The fire chief at Ashby, up in the sandhills, where the common practice is to strew hay on the sandy roads in order to favor car traction, reports to the state fire marshal that Harry Sutton was driving his \$1,500 car along one of these roads, and got stuck. In his efforts to get loose the engine backfired, set fire to the hay and the car was consumed. It was insured for \$1,500.

tion. Messrs. Meiss and Greenhill feel it will obviate interference on the part of an assured who is "unreasonable or not inclined to cooperate."

The trend in the law courts today is to recognize the loan receipt as the proper medium to be used by companies attempting to effect prompt disposal of legitimate losses, according to the sponsors of the form. This medium makes it possible to advance to an assured the amount of any loss to be recovered from the party or parties whose act caused the loss.

Loan receipts were first used with ocean marine losses, deriving from the fact that few assured could continue in business if the insurers delayed making payment, particularly where large sums were involved. Since final determination of liability often could not be decided promptly, it was essential that the assured receive funds in advance of any final decision. Thus the loan receipt, in addition to providing the claimant with funds immediately following a loss, enabled the insurer to present and press claims in the name of the assured. This latter feature was instrumental in producing settlements made strictly on the merits of particular cases since it tended to eliminate any assumption that the company, having paid the loss, might be forced to go to court itself in its own name.

When an assured executes a loan receipt, it is impressed upon him that he is receiving a loan. This, it is claimed, eliminates any contention the company has actually paid the loss and is a factor in procuring support of the assured in the event it is needed.

E. L. Bauer Is Dead

E. L. Bauer, long connected with the local department of W. S. Brown & Co. of New York City, and with its predecessor, Burke & Brown, died at his home in Hasbrouck Heights, N. J.

May Reduce Sprinkler Charge

DENVER—Favorable progress is announced by the members of a committee appointed by the Denver Chamber of Commerce to study the problem of the "readiness to serve" charge for automatic sprinkler systems in commercial buildings. Because of this charge, amounting to \$120 a year for a six-inch connection, the chamber says hundreds of Denver buildings have not installed the fire-safety measure, and is endeavoring to have the year-round charge repealed. Members of the committee are David J. Main, Standart & Main, and Walter J. Kulp, manager Mountain States Inspection Bureau. A hearing with the water department will be called soon, to establish a more satisfactory rental.

New Mexico Agents Muster

The annual meeting of the New Mexico Association of Insurance Agents will be held at Santa Fe, Sept. 23-24. The chief speakers will be William Quaid, one of the Home of New York executives and George Kemper of the Fireman's Fund Indemnity. The advisory committee of the Rocky Mountain Fire Underwriters Association will have charge of the program on the last day. Howell Earnest of Santa Fe is president of the state association.

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Policies"



MOST folks think all insurance policies are about alike. That is probably true. But Insurance men know much depends on the people with whom you deal. Take the Reliable Fire Insurance Co. for instance. You will like the way we do business, because our whole organization is based on four basic principles.

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Second, for over 73 years, Reliable has remained steadfast to the principle of paying all just claims promptly.

Third. Financial stability has enabled us to weather two wars and three major depressions.

And fourth, you'll find us always "Reliable" in all business dealings.

Write us today. Learn in detail how a Reliable Fire Insurance Agency will mean greater profits for you. Address Wm. F. Kramer, President; E. J. Weiss, Secretary.

State and Special Agents

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For Illinois John B. Tettow	For Michigan Finnell and Finnell

Since 1865



An independent Ohio Company with a current surplus to policyholders of \$1,116,945.00.

C. R. Page Is Honored for Civic Work in Article

Civic activities of Charles R. Page, president of the Fireman's Fund group, are featured in a "Personalities Behind Your Job" series of articles being published by the San Francisco "Chronicle." Mr. Page was one of the organizers of the "Committee of 43," a self-appointed group which is aiding in the solution of a serious labor situation which has prevailed in San Francisco since 1934.

Mr. Page started as an ordinary seaman on an American square rigger, traveling from New York to Yokohama in 168 days. He started in the Fireman's Fund as an office boy at \$5 a week back in 1902.

In regard to the Fireman's Fund's own situation Mr. Page is quoted by the newspaper as saying:

"Both the AFL and the CIO sought to organize the Fireman's Fund but the employees decided to form a union of their own. It was organized within the terms of the Wagner labor act and the company recognized it.

"We reclassified our employees in accordance with their request, established new minimum pay levels, and retained preexisting wage differentials higher than the minimum requirements. The company's position with respect to unions is that it will recognize any union for collective bargaining purposes upon submission of evidence that that union represents the majority."

New Iowa Hand-Book Gives Complete Data for the State

The Underwriters' Hand-Book of Iowa for 1938 has just been published by THE NATIONAL UNDERWRITER. This is a most complete reference book on this state insurance-wise and contains a mass of valuable and interesting data.

The book gives the complete list of all the agents licensed by the department together with the companies they represent, members of the agency, other business transacted, if any, date established and address. The list is arranged alphabetically by towns. The companies operating in the state are listed together with their officers, financial statements, field men, etc., as well as statistical data showing the record of insurance in the state for the past several years. The book covers all branches—fire, casualty and life, mutual, stock and reciprocal.

Other information includes the list of insurance organizations, a resume of the insurance laws of Iowa, town classification for fire protection, lists of insurance attorneys and adjusters, a record of the special lines written by fire and casualty companies and lists arranged alphabetically of the fire field men, casualty and life general agents and managers.

During the past four years the compilers have noted a trend towards and increase in the number of agents licenses. While there were 47,935 licenses in 1935, 50,124 in 1936, 51,213 in 1937 there are 52,451 in 1938. The stock fire licenses are slightly lower this year—20,518 compared with 20,759 but the greatest change occurs in the stock casualty group which had 10,251 in 1937 and 11,384 this year. For 1938 there were 10,073 mutual fire licenses, 5,847 mutual casualty, 633 casualty reciprocal and 3,955 life.

In 1937 the fire companies wrote premiums aggregating \$14,519,757 and had losses of \$6,165,019. These compare with premiums of \$14,282,695 and losses of \$7,800,467 in 1936. Casualty premiums were \$16,271,852 and losses were \$6,110,018 in 1937 as against premiums of \$14,267,884 and losses of \$5,557,212 in 1936.

Boston Fire Course Awards

BOSTON.—The Insurance Library Association of Boston announces awards of prizes in the fire insurance courses following the Insurance Institute ex-

aminations. The \$100 contributed by the Boston was awarded as follows: J. R. Hudson, Employers Fire, Boston, highest average mark for three-year course, \$50; Winchester Smith, United Mutual Fire, Boston, highest marks in April examination, \$20; W. B. May, United Mutual Fire, Boston, second highest mark in April examination, \$15; D. C. Gallup, Pawtucket Mutual Fire, Pawtucket, R. I.; C. B. Wentworth, New England Mutual Life, Boston; Kenelm Winslow, Fireman's Fund, Boston, fourth, fifth and sixth prizes of \$5 each.

Conference Agreement and the Company Signatories

The Tennessee Association of Insurance Agents has put out a bulletin giving the text of a conference agreement between the National Association of Insurance Agents and the capital stock companies ratified March 15, 1926, and revived July 1, 1938, as to signatories. It first gives the list of the fire companies that signed the conference agreement. Then it gives a list of the fire companies cooperating with the Na-

tional association on certain principles, not to solicit renewals on change in agencies, not to write overhead either direct or by reinsurance, not to require agents to insure risks for outside brokers on property owned by residents or on property owned by non-residents except where all insurance is written under the conditions to which the risk is subject locally. The third is a list of casualty and surety companies agreeing with the doctrine of ownership of expirations.

I. L. Parry of Jackson, O., has taken his son Hollis into business with him.



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Why let the DOG DAYS of Summer get you down? . . . There's business to be had every month of the year . . . And good business, too . . . If you want to make this your best Summer in ten years, why not drop us a line . . . We'll show you how it can be done—without mirrors . . . Just write today.

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EDITORIAL COMMENT

Investigation of Insurance Companies

THE insurance business as a whole does not fear any investigation by a public body if it is conducted along business-like, sane and non-spectacular lines. The SECURITIES & EXCHANGE COMMISSION of Washington, D. C., is to make an examination of insurance largely, as we understand it, from the investment standpoint. That is, the SEC desires to probe into the investment policy of insurance companies and ascertain whether these companies exert an untoward influence over outside corporations and finance in general.

Anyone can go into the field of any industry or enterprise and pick out some special feature and by enlarging and exaggerating it can leave the impression that something is wrong with the entire structure.

As we see it, insurance in its various aspects is conducted along well ordered, business-like and honest lines. The officials regard their positions as trustees, this particularly being the case in life insurance. It is true that there is some exploitation but this is confined largely to a

very small element. The state insurance commissioners could tell the SEC that 95 percent of the insurance companies supervise themselves. They really do not need any regulation. It is the 5 percent that causes all the difficulty but these 5 percents cut but little figure from an investment standpoint.

Therefore, the investigation will center around the larger companies that are conducted in a most satisfactory manner. However, as is the case with all public investigations, there is, unfortunately, a political aspect, a desire to work publicity in order that the people at large may get the impression that something is being done to cleanse the stables, that evils are to be eradicated and that the party in power is the savior of the day. Any probe of this kind is publicity seeking, sensational and more or less spectacular. That being the case, an investigation is to be deplored and its justifiable ends are defeated. An investigation worth while, bereft of all sensational episodes, might well be constructive. Otherwise it becomes destructive.

Uniformity in Non-Resident Laws

NOW THAT the matter of non-resident brokerage requirements is becoming something of an issue and with attention particularly focused upon the situation in VIRGINIA, where a new law was recently enacted, leaders in the business and the NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS might very well give attention to the idea of bringing about uniformity throughout the country in this direction. Such a project might be dismissed as visionary by many who will think of numerous obvious obstacles as well as being conscious of the force of inertia. However, in several directions, the business is moving towards uniformity and this matter of non-resident brokerage requirements might just as well be added to the list of desiderata. To mention some of the other movements towards uniformity that are under way, there is the matter of a uniform use and occupancy form; a high degree of uniformity has been brought about insofar as the extended coverage endorsement is concerned; uniform inspection report forms are now in use. It seems quite likely that within a year or so, the premium tax will be based in all states on net direct premiums written.

Those in charge of the brokerage departments of fire or casualty companies will endorse with vehement amens the idea of uniformity in non-resident brokerage departments. They are required to keep in mind an amazingly large number of differences in state laws and insurance depart-

ment rulings. Not only must they keep statutes and rulings in mind, but they must continually explain them to local agents when the local agent becomes a non-resident broker. Moreover, the brokerage executive is under pressure from agents, in the capacity of non-resident brokers, to circumvent the requirements, usually by making arrangements whereunder the non-resident broker doesn't have to take out a non-resident broker's license or to make some arrangement for paying no counter signature commission or only a nominal amount. Most of the companies, it is said, are adhering these days pretty religiously to the letter of the law and of the departmental rulings, but they are under pressure none the less. Three essentials that should be made uniform are the form of application for non-resident broker's license, the fee for such license and the amount of counter signature commission to be paid the local resident agent.

One of the obstacles, of course, will be the reluctance of certain states that have a non-resident broker's license fee to endorse a uniform law, providing for a smaller charge. Then the local agents in a state requiring a high counter signature commission will be loath to have their percentage reduced. The fact that such obstacles exist, however, should not be accepted as a final barrier.

The producer is very likely to change color, depending on whether he is on the giving or receiving end when it comes to

counter signature. A local agent is very likely to demand that a high fence be placed around his precinct, but when he gets control of a piece of business elsewhere, he is likely to begrudge the counter signing agent the fee that he must pay. A reasonable and uniform counter signature commission should produce equitable results in the long run. Likewise, we believe that states might get as much or possibly more revenue from a reasonable

brokerage license fee than from one of \$100 or more. When the fee is high, the non-resident broker will be more likely to seek a way to get around the requirements.

THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS together with company and agency organizations should, we are convinced, at least make an approach and carry on discussions of whether the time is opportune to press for uniformity in non-resident broker's requirement.

PERSONAL SIDE OF BUSINESS

The engagement of Miss Elizabeth P. Hill, daughter of Mr. and Mrs. W. P. Hill of Richmond, Va., to Alfred J. Walker of Dublin, Va., is announced. Mr. Hill is secretary of the Virginia Fire & Marine. The wedding will take place in the fall.

The oldest policy issued by the FIREMAN'S FUND which is extant is possessed by J. B. Levison, chairman of the board. It was written on a frame dwelling and contents of a general store at Camanche Camp in 1867. The No. 1 policy insuring 5,000 gallons of Boston syrup in storage at San Francisco was destroyed in the 1906 fire and earthquake. The Camanche Camp policy was signed by Vice-president D. J. Staple. Two days after signing the policy he became president.

J. Davis Ewell, president of the Virginia Association of Insurance Agents, and his son, J. Davis Ewell, Jr., agent in Richmond of the Mutual Life of New York, were scheduled to defend this week their father-and-son golf championship on the course of the Hermitage Country Club. With a handicap of only five strokes (four for the father and one for the son), the Ewells were odds-on favorites to repeat their triumph in the inaugural tournament last year. Mr. Ewell, Sr., is a member of the Richmond local agency of Gibson, Moore & Sutton.

S. U. Reavis, Jr., partner in the Reavis & Nutt agency, Little Rock, Ark., was married there to Miss Barbara Burnelle Shepherd.

George Welman and Frank J. Brennan of the Louisiana Rating & Fire Prevention Bureau were honored at a surprise party. Each of them thought the party was for the other and 30 employees of the bureau who had seen more than 10 years of service attended the party sponsored by W. J. Moll, bureau engineer. Mr. Welman has been with the bureau 31 years and Mr. Brennan 30 years.

R. G. Corbett, Casper, Wyo., local agent and candidate for the Wyoming legislature, suffered a dislocated hip and other injuries when his automobile overturned near Mountain View. A tire blowout was reported to have caused the accident.

Charles F. Liscomb, Duluth, president National Association of Insurance Agents, was chairman of the arrangements committee for the "world's blind golfing championship" match in Duluth between Dr. W. H. K. Oxenham of England and Clinton F. Russell of Duluth. Mr. Russell won, 6 and 5, before

a gallery of 10,000, the proceeds going to the Duluth Lighthouse for the Blind. Mr. Liscomb is a close personal friend of Mr. Russell and frequently plays with him. The match was arranged following a "Believe It or Not" broadcast of Robert L. Ripley, who described Dr. Oxenham's golfing feats when the latter arrived in the United States. Mr. Liscomb and other friends of Mr. Russell heard the broadcast and induced the Duluth chamber of commerce to wire a challenge. Mr. Russell, who has been blind for 15 years, frequently shoots an 80 score and engages in all other sports, except hunting, on an equal basis with his friends.

O. R. Van De Wall, Minnesota state agent of the North British & Mercantile group, is ill with heart trouble at a Minneapolis hospital.

E. V. Maxfield, 43, manager of the Corpus Christi, Tex., office of the Lloyd Caldwell Claims Corporation, died in a San Antonio hospital where he had gone for treatment of a bone injury received in an automobile accident about a year ago.

Don Hendryx of the Hendryx & Co. agency, Port Arthur, Tex., has been elected a state director of the junior chamber of commerce.

Carl Schreiner, president Pilot Reinsurance, sailed from New York City on the "Bremen" for Germany Tuesday night.

Texas Commissioner Post Is Being Eyed by Several

DALLAS TEX.—At least a dozen insurance men are reported to have friends pulling for them to receive the appointment of chairman of the state board of insurance commissioners, a place now held by R. L. Daniel, whose term expires next year.

This post is the juiciest plumb the new governor of Texas will have to hand out, and it is understood it will go to a business man—not a politician. W. L. O'Daniels of Fort Worth, Democratic nominee had as his battle cry "turn the politicians out," and it is known he does not expect to appoint politicians to any public posts. R. L. Daniel is not a politician, and there are some O'Daniels supporters who think the veteran commissioner will be renamed.

Among the insurance men "willing" to have the appointment, informed sources say, are W. W. Bennett, Dallas insurance man, who was a candidate for state superintendent of public in-

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struction in 1926, and H. E. Johnson, Dallas adjuster and a law partner of one of the chief supporters of O'Daniels. Earl B. Smyth, president of the Fidelity Union Life of Dallas, is said to be a candidate for the post. He is said to have the backing of Carr P. Collins, chairman of the board of the Fidelity Union, who was state manager for O'Daniels in the recent campaign.

It is reported here that two insurance men from Houston, one from Galveston, one from San Antonio, one from Waco, one from San Angelo and three from points in west Texas are also seeking the nomination. All were backers of O'Daniels in his history-making campaign.

But the next governor of Texas is not giving any attention to job seekers. He says there will be time for that later on. It is understood he intends to appoint men of ability to posts of public service. His campaign theme included economy in state expense through eliminating unnecessary jobs, and there are some who say he may advocate a law combining the three insurance jobs into one, and having one insurance commissioner instead of three.

Among the possibilities being mentioned is N. S. Longbaugh, general agent for Manhattan Life at Fort Worth, who was formerly connected with State Life of Indiana there. He supported Mr. O'Daniels in the campaign. Some of the Life Underwriters Associations in Texas have been asked to endorse Mr. Longbaugh for appointment as commissioner.

Colorado Forest Fire Loss

DENVER—The huge forest fire which has been sweeping Gilpin county, northwest of Denver, for the past two weeks has been brought under control by CCC workers and 10,000 volunteers from small towns in the menaced area. Damage reported by the Mountain States Inspection Bureau is chiefly to farm buildings, mine houses, and summer homes over that area. The total loss, including livestock, buildings and timber, has been estimated at \$1,000,000.

H. B. Hickok, assistant secretary of the Merchants Fire of Denver, is in a hospital there for a minor operation. He has been ill for some time.

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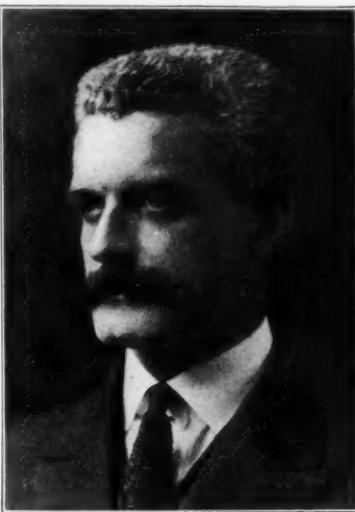
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Chicago Leader Dies After Lengthy Illness



CHARLES R. McCABE

Funeral services were held in Chicago Tuesday for Charles R. McCabe of the McCabe & Hengle agency of that city, who for years was one of the most prominent figures in Chicago insurance circles. He was 49 years of age. He was stricken in June, 1936, with a cerebral hemorrhage. Since then he has been incapacitated and had no chance of recovery. He spent last winter at Palo Alto, Cal., and had been at his summer place in Long Beach, Ind., since then. It was there that he died.

Mr. McCabe was destined for the insurance business, as his father C. R. McCabe, Sr., had been a fire insurance man before him, having been state agent in several midwestern states for the old Traders until the time of the San Francisco fire, thereafter having been state agent for Agricultural and going into the local agency business in 1908.

The first insurance employment of C. R. McCabe, Jr., was in the western department of the Firemen's under Montgomery & Funkhouser, managers. He then went into the Illinois field for A. D. Baker & Co., of Peoria, Ill., general agents for Boston and Old Colony. He joined Scottish Union as Illinois state agent and served in that capacity about 12 years, until the war.

When he left the service, he had the rank of captain. He then joined Niagara as Illinois state agent and later formed the brokerage department for Niagara in Chicago. He served as head of that department for a time and in 1920 assisted in organizing the old Chicago Fire & Marine. He served as secretary of that company until 1924. Then he and his brother, John V. McCabe, purchased the interest of Mr. Hengle in the McCabe & Hengle agency. The partnership of McCabe & Hengle is survived by John McCabe and W. H. McElliott, who is a brother-in-law of John V. and C. R. McCabe.

Mr. McCabe was a striking figure physically. He was tall and was an exceptionally strong man. He engaged in strenuous outdoor sports. He was a member of the Polar Bears, the organization that swims in Lake Michigan throughout the winter. He swam in two of the Chicago river marathons. He was a member of the championship water polo team of the Chicago Athletic Association. In 1911 he saved the life of a man with whom he was vacationing at Lost Lake, Wis., and for that was awarded the Carnegie life saving medal. He won several long distance hiking contests. He was quite a hunter and fisherman and is credited with having taken the largest muskallunge that was ever taken from Lost Lake.

One of those attending the funeral services was Vice-president E. J. Dickey

of Agricultural. McCabe & Hengle are Cook county managers for that company. Mrs. McCabe has returned to the home in Long Beach, Ind., for the balance of the summer.

G. E. Findlay New Canadian Manager of Springfield

Gordon E. Findlay has been appointed manager of the Canadian department of the Springfield group of fire companies to succeed his father, the late W. E. Findlay. His appointment will not affect the Springfield or Sentinel agencies in British Columbia now reporting to San Francisco.

After serving with the Canadian forces during the world war, he entered the general agency in Montreal of the Springfield Fire & Marine in 1919. While gaining office experience he took an evening course in rating provided by the Canadian Fire Underwriters Association. Later he acted as inspector in the field and in 1929, when the Springfield opened its Canadian department, he was appointed superintendent of agencies, and in 1936 assistant manager.

C. H. Harvey is appointed superintendent of agencies, and Leo A. Brophy office superintendent in the Montreal office. Mr. Harvey joined the Springfield in 1935 as inspector-in-charge of a new service office opened in Toronto. He started in the insurance business with the Eagle Star in 1923, and in 1925 became reinsurance and underwriting clerk with the North British & Mercantile. In 1929 he returned to the Eagle Star as inspector for Ontario where he remained until his affiliation with the Springfield. For the time being Mr. Harvey will handle his duties as superintendent of agencies from the Toronto office. Mr. Brophy went with the Springfield in 1919 from the Yorkshire. He has been chief clerk for several years.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Aug. 22, 1938

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00	93	97
Aetna Fire	10	1.60	44	46
Aetna Life	10	1.25*	24	26
Agricultural	25	3.25*	80	84
Amer. Alliance	10	1.20*	21 1/4	23
Amer. Equitable	5	1.00	25	27
Amer. Surety	25	2.50	45	47
Automobile	10	1.30*	31	33
Balt. Amer.	2.50	30*	6	7
Bankers & Ship.	25	5.00	84	86
Boston	1.00	21.00	590	610
Camden Fire	5	1.00	19	21
Carolina	10	1.30	23	25
Contl. Cas.	5	1.20	29	31
Contl. N. Y.	2.50	1.80*	33	35
Crum & Forster				
Com.	10	1.00	22	24
Employers Rein.	10	1.60	45	46
Fidelity & Dep.	20	2.00	107	110
Fidelity-Phen.	2.50	1.80*	33	35
Fire Assn.	10	2.50*	54	56
Firemen's (N. J.)	5	.30	8 1/2	9 1/2
Franklin	5	1.40*	24 1/2	26
Gen. Reinsur.	5	2.00	38	40
Glens Falls	5	1.60	42	44
Globe & Repub.	5	.50	13	15
Gt. Am. Fire	5	1.20*	25	26 1/2
Gt. Amer. Ind.	1	.20	8	9
Halifax Fire	10	1.00**	23	25
Hanover Fire	10	1.60	33	35
Hartford Fire	10	2.00	72	75
Home Fire Sec.	10		2	3
Home Ins. (N.Y.)	5	1.60*	23	24
Ins. Co. of N. A.	10	2.50*	63	65
Maryland Cas.	1		4 1/2	5 1/2
Mass. Bonding	12.50	3.50	53	55
Merch. Com. (N.Y.)	5	1.70*	45	49
Natl. Cas.	10	1.00	21 1/2	23
Natl. Fire	10	2.00	61	63
Natl. Liberty	2	.40*	7	8
Natl. Union	20	5.00	120	126
New Am. Cas.	2	.60	10 1/2	11 1/2
New Brunsw. F.	10	1.70*	31	33
New Hampshire	10	1.80	42	44
Northern (N. Y.)	12.50	5.00*	90	94
North River	2.50	1.20	26	28
Phoenix, Conn.	10	2.50	80	84
Preferred Acci.	5	1.00	16	17
Prov. Wash.	10	1.40*	34	36
Rossia	5		5	6
St. Paul F. & M.	25	8.00	208	212
Security	10	1.40	33	35
Sprgld. F. & M.	25	4.75*	123	126
Travelers	100	16.00	445	460
U. S. Fire	4	2.00	52	54
U. S. F. & G.	2		15	17
Westchester Fire	2.50	1.60*	32	34

*Includes extra. **Canadian funds.



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The NATIONAL UNDERWRITER

August 25, 1938

CASUALTY AND SURETY SECTION

Page Seventeen

Rate Reduction on Bank Burglary; Other Revisions

More Favorable Experience in 25 States—Open Stock Changes

NEW YORK—Justified by favorable loss experience the National Bureau of Casualty & Surety Underwriters is authorizing a reduction in bank robbery rates in territories 3 and 4, effective Aug. 22. This is the third reduction within two years.

Territory 3 includes Alabama, Arizona, California, Idaho, Louisiana, Mississippi, Montana and New Mexico. Territory 4, the highest rated in the country, embraces Arkansas, Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota and Wisconsin.

Rates in territories 1 and 2 remain unchanged. For the most part these territories cover states in the east.

Due in considerable degree to the activity of the Federal Bureau of Investigation, bank robberies have decreased in number and seriousness and this has made possible the present reduction in rates.

Dairy Product Revision

Other important manual revisions include reduction of the open stock rates for dairy products in Illinois, Iowa, Minnesota, Nebraska, South Dakota, North Dakota and Wisconsin to the countrywide rate. The divided coverage endorsement in the mercantile open stock section of the manual now permits greater rating flexibility to meet changed conditions in merchandising and to prevent assured from voiding policies through unwitting assumption of hazards barred under the former regulation.

Storekeepers Policy Change

Rates and rules governing the innkeepers' liability policy and the safe depository liability policy have been clarified and liberalized in the revision, while the rules applicable to the store-keepers' policy were altered to limit to three the number of policies issued to one risk at one location. The intent of this is to keep the policy in the hands of the small merchant, for which it was particularly designed.

Schedule Compulsory Hearings

BOSTON—Owing to many demands from various parts of the state for hearings before the motor vehicle appeal board under the compulsory automobile liability insurance act, Commissioner Harrington has announced the board will sit in North Adams every six weeks, in Lawrence every three weeks and in Pittsfield on Sept. 2 and every six weeks thereafter.

No Company Stronger Than Its Loss Reserve Policy

R. W. Forsyth, Manager Indemnity of North America, Addresses Oregon Agents

PORTLAND, ORE.—"Casualty Loss Reserves" was the subject discussed by R. W. Forsyth, manager of the Indemnity of North America at San Francisco, in his talk before the convention here of the Oregon State Agents Association. He quoted a well known publication, not an insurance magazine, that "No casualty company is stronger than its loss reserve policy." He said loss reserves represent not money held back on the chance that payment might eventually be made, but losses that eventually must be paid.

Undue emphasis may be laid upon several features of a company's statement, but mainly it is the surplus which attracts the eye and is pointed out as the gauge of a company's success and strength. He said, of course a substantial surplus is a splendid indication. It acts as a shock absorber for investments and underwriting losses and it reflects underwriting gains and good management of a company's assets. But first of all, what is its principal public function? It is that of guardian to the reserves. Therefore, unless the condition of the reserves is known the seeming prosperity of the surplus may be a matter of doubt.

Minimum Grossly Inadequate

Mr. Forsyth took up the showing of reserves in schedule P of the company statements. This schedule goes exhaustively into a company's loss history over many years. The minimum loss reserve is prescribed by law, but this is only a minimum. He mentioned companies which had failed from inadequate loss reserves. In one case a company in 1922 had reserves for liability losses of a little under \$400,000. In less than ten years and as against the same reserves, it had paid out over \$2,000,000. The same company in that year carried a reserve of compensation losses of a little less than \$250,000 and in less than ten years it had paid over \$1,300,000. Thus the minimum legal reserve on losses is by no means conclusively adequate.

Taking up the means of testing a company's losses Mr. Forsyth described the method of averages. He referred to a study made on 21 casualty companies writing multiple lines, no company on the list writing less than \$7,500,000. The study was made on the basis of reserves carried as to premiums written on compensation and liability lines and also as to earned premiums in the same lines. It was found that the average reserve on liability was approximately 70 percent of the earned premiums, the lowest ratio being 51 percent and the highest 99 percent. In compensation the average was 102 percent, the lowest company showing 50 percent and the highest 240 percent.

He then turned to parts 5 and 5a of schedule P, which reveal the actual experience of a company over the years. These parts show the original reserves set up by the company, going back to

Plans Announced for Annual Convention

International Claim Association Has Scheduled an Interesting Series of Events

Most of the members of the International Claim Association which will hold its annual meeting at White Sulphur Springs, W. Va., plan to arrive on Sunday, Sept. 11, and engage in golf that day. E. D. Millea of the Equitable Society is president and L. L. Graham of the Business Men's Assurance, secretary. W. E. Hein will be chairman of the round table conference Monday afternoon. He is supervisor of claims of the State Mutual Life. George Morris, superintendent of the claim department of the Equitable Society, will speak on "An Interesting and Unusual Death Claim in Litigation." John McAleander, assistant treasurer Bankers National Life, will speak on "Monies Left on Deposit under Settlement Option." R. D. Taylor, assistant superintendent of claims Sun Life of Canada, will discuss "Liability of the Company on a Binding Receipt." Another subject to come before the round table will be "Use of Models in Defense of Double Indemnity Claims."

A speaker will be Attorney William Marshall Bullitt of Louisville, who was former solicitor general of the United States, special assistant to the attorney general of the United States and special counsel of the United States Shipping Board. He is a trustee of the Mutual Life of New York. Dr. F. W. Dershimer will discuss "Rehabilitation of Nervous & Mental Cases." He is a member of the American Psychiatric Association and was on the staff of the International Health Board of the Rockefeller Foundation. He is an associate in psychiatry at the College of Physicians & Surgeons of Columbia University. Attorney J. D. Ewing of the New York City law firm of Alexander & Green will speak on "Preparing the Defense in a Heart Claim." W. R. Miner, Jr., past president of Rotary International, will give a talk. Dr. George H. Roberts, Jr., of the American College of Physicians and a member of the American Heart Association, being professor of medical jurisprudence College of Law, St. John's University, will speak on "A Layman's Picture of the Heart and Its Illnesses." Dr. D. W. Hoare, assistant medical director Penn Mutual Life, will be another speaker. J. D. DeWitt, supervising adjuster Travelers, will speak on "Reclamation of Payments Made Under Mistake of Facts."

1934, and then show year by year what the actual cost was of the same losses year by year. This shows whether a company made its original reserves high enough or not.

New York City Fatality Rate

NEW YORK—According to Dr. J. L. Rice, health commissioner, the 1937 death rate from automobile accidents in this city was 13.2 for each 100,000 population compared with 24.3 for Chicago; 16.6 for Philadelphia; 22.3 for Detroit and 43.4 for Los Angeles.

Alabama Bar Gets Taste of Blood, Follows Through

After Winning Case Against Wilkey, Starts Suit Against 25 Insurers

BIRMINGHAM, ALA.—An injunction suit against 25 insurance companies and claim adjusters and Superintendent Julian, Alabama, seeking to halt the "unlawful and unauthorized practice of law" in Alabama was filed in Birmingham chancery court Tuesday by the Birmingham Bar Association.

The bar association claims that the respondents for a long time have intruded into the practice of law by drawing releases, compromise agreements, answers to interrogatories, covenants not to sue, award contracts under the compensation act and other legal papers.

Why Julian Was Named

Mr. Julian was named a party in an effort to prevent granting of licenses to companies which employ claim adjusters who are not lawyers. The suit charges the "so-called claim adjusters association" and insurance journals had made vicious attacks on the legal profession.

The suit followed success of the association last week in restraining J. L. Wilkey, prominent independent adjuster, from the "unlicensed practice of law." Mr. Wilkey has already appealed the case to the Supreme Court.

Those named respondents besides Mr. Julian and Mr. Wilkey are:

Phillips & Marsh, Inc., Fire Casualty Adjustment Bureau, William E. Bishop & Co., Eugene M. Phillips, James E. Marsh, William E. Bishop, Edwin M. Cole, David H. Waldrop, Employers Liability; American Employers, Indemnity of North America, American Automobile, American Fidelity & Casualty, Central Surety, Home of New York; New York Fire, American Equitable, Camden Fire, Fidelity-Phenix, Automobile of Hartford, Hardware Mutual, Independent Lumber Mutual, and Ohio Hardware Mutual.

Thirteen Specifications

Circuit Judge Bowton issued the ruling excluding Mr. Wilkey and J. L. Wilkey Adjuster, Inc., from the practice of law without license or legal authorization.

Judge Bowton's decision marked a victory for the unauthorized practice of law committee of the Birmingham Bar Association, which has conducted a drive against persons allegedly intruding on the law business. This committee instituted quo warranto proceedings in the name of Jim C. Smith, former bar association president.

The ruling excluded Wilkey and the concern from the practice of law in Alabama until legally licensed and set out in 13 specifications their exclusion from making claim settlements. An appeal by Mr. Wilkey will stay the application of this ruling.

Mr. Wilkey is an important factor in

National Association Independent Insurance Adjusters.

Roderick Beddow, president Birmingham Bar Association, several months ago wrote a letter to substantially all insurers interested in the adjustment of claims in Alabama, and enclosed a copy of the opinion of the attorney-general of this state, relating to the unauthorized practice of law by independent adjusters. He requested those companies that were adjusting their claims through laymen and adjustment agencies that were not authorized to practice law, to desist from such practice, on the ground it was a violation of the Alabama law.

Mr. Beddow states that he received innumerable replies requesting him to inform the writers just what unauthorized practice of law constituted. His answer was that they should consult their counsel.

Sweeping Injunction

The 13 items in the injunction against Mr. Wilkey include:

In a representative capacity appearing as an advocate or drawing papers, pleadings or documents, or performing any act in connection with proceedings pending or prospective before a court or a justice of the peace, or a body, board, committee, commission or officer constituted by law or having authority to take evidence in or settle or determine controversies in the exercise of the judicial power of the state or subdivision.

For a consideration advising or counseling another as to secular law, or drawing or procuring or assisting in the drawing of a paper, document, or instrument affecting or relating to secular rights.

Redress of a Wrong

For a consideration doing any act in a representative capacity in behalf of another tending to obtain or secure for such other the prevention or the redress of a wrong or the enforcement or establishment of a right.

As a vocation as independent insurance adjusters, enforcing, securing, settling, adjusting, or compromising defaulted, controverted or disputed accounts, claims, or demands between third persons.

Making adjustment and settlement of claims against persons, natural or artificial, or their assured, represented by defendants, separately and severally, and negotiations with claimants in respect thereto.

Making selection and preparation of releases, covenants not to sue, and contracts or agreements for the settlement or compromise of claims against persons, natural or artificial, or their assured, represented by defendants, separately and severally, and other like documents affecting secular rights.

Advice on Legal Rights

Advising persons or their assured represented by defendants, separately and severally, of their legal rights.

Making appearances before the courts, together with the presentation of legal rights of others interested in litigation therein, at formal or informal hearings.

Making determination of whether a particular insurance contract, represented by defendants, covers a particular casualty of their insured.

Making determination of legal liability and the extent and nature thereof for insurers or assured.

Retaining and employing attorneys in Alabama, as their agents and representatives in rendering legal services to insurers or assured.

Giving to insurer or assured, legal advice and legal consultation on business, personal or private matters; defending such persons in actions brought against them in police courts or justices' courts or courts in lieu of justices of the peace.

Instituting or maintaining, or defending legal or equitable actions for others, by and through themselves or their agents or attorneys, in the courts.

The court ordered Mr. Wilkey to pay court costs.

Casualty Company Statements

(Report as of June 30, to Georgia insurance department)

	Capital or Deposit	Assets	Surplus	Income	Disbursements	Six Months
Accident & Casualty...	\$ 850,000	\$ 3,044,257	\$ 1,650,000	\$ 370,148	\$ 299,213	
American Surety	7,500,000	26,125,691	4,909,574	5,735,882	5,042,689	
Amer. Credit Indemnity	1,500,000	5,333,965	4,303,304	1,093,158	1,406,081	
Columbia Casualty...	1,000,000	7,325,396	2,718,452	1,540,187	1,217,135	
Commercial Casualty...	1,000,000	8,803,134	1,253,615	4,191,414	3,538,859	
Home Indemnity	1,050,000	6,468,860	1,551,871	1,915,945	1,452,863	
Massachusetts Bonding	2,000,000	21,056,791	2,229,788	9,213,034	7,577,285	
Metropolitan Casualty...	1,500,000	10,339,933	1,262,801	3,781,532	3,113,473	
North American Acci...	400,000	3,044,879	409,990	2,113,388	2,010,494	
New York Casualty...	1,000,000	4,778,064	681,373	1,505,809	1,194,148	
Western Cas. & Surety.	750,000	3,910,923	305,940	1,892,567	1,806,329	

National Anti-Crime Union Activities Are Being Viewed

KANSAS CITY—The activities of the National Anti-Crime Union of Carthage, Mo., have aroused William E. Scott, assistant attorney-general of Kansas. In a letter to the Better Business Bureau here he says he is of the opinion that the National Anti-Crime Union is doing an insurance business. "From the material I have before me it is my opinion that any agent soliciting for so-called 'memberships' may eventually find himself in trouble in form of a criminal prosecution."

Mr. Scott, whose opinion came in response to an inquiry as to whether sale of National Anti-Crime Union memberships constituted a violation of Kansas insurance-laws, cited the Kansas statute making it unlawful to sell insurance without a license, and providing a maximum penalty of either \$500 fine or six months in jail, or both.

The bureau has had many inquiries about the union, which was incorporated by pro forma decree at Carthage, March, 1937. Relief bonds for protection against robbery or burglary losses have been offered for sale in various parts of the country, according to the bureau. The company is not under supervision of the Missouri insurance department.

F. & D. Half Year Figures

BALTIMORE—The Fidelity & Deposit reports net premiums written the first six months of \$5,574,129 compared to \$5,887,692 last year. Underwriting gain was \$892,505 compared to \$890,010; interest, dividends and rents \$272,828 against \$268,577. Realized gain on investments (net) was \$30,543 against a loss of \$35,683 the first half of 1937, while the net loss in book value of investments was \$288,107 as compared with \$209,344. Total gain from underwriting and investments was \$753,866, as contrasted with \$776,637 last year.

Confer on Des Moines Suit

DES MOINES—A conference with defendant bonding companies in Polk county's suit to recover a \$16,353 shortage in the county treasurer's office will be held here Sept. 1. Named in the suit are Allen Munn, treasurer and the Massachusetts Bonding, which was on his bond; John Dyke, chief deputy, and his sureties, the Employers Liability, New York Casualty and American Surety. With the filing of a cross petition by the Massachusetts Bonding, the Royal Indemnity and Fidelity & Deposit also are brought into the case.

To Expand Kansas Business

The State Farm companies of Bloomington, Ill., have launched an intensive campaign for more business in Kansas. John A. Gronner, Kansas state manager, and W. D. Stegner, sales supervisor from the home office, held district and special agents' conferences in Topeka, Dodge City and Wichita. The companies have indicated they will double their Kansas sales force.

The Industrial Indemnity Exchange of San Francisco, specializing in workmen's compensation insurance, is moving its head office to the Alaska Commercial building about Aug. 25. Harold Hatch is manager.

Massachusetts Bonding to Mark Anniversary Sept. 12

BOSTON—The Massachusetts Bonding will hold a three-day celebration of its 31st anniversary Sept. 12-14 at the New Ocean House, Swampscott, Mass. There will be golf, sea bathing, tennis, motor trips and an ocean sail.

An unusual feature will be a candid camera contest. Each guest, on registration, will receive a small camera and two rolls of films. Arrangements have been made for speedy handling of films at the hotel, no charge being made for developing. The afternoon of the third day a committee will pick the three best shots made by visitors during the celebration. Prizes will be awarded at the formal dinner that evening.

Monday there will be a sight seeing trip which will end at the home office, where visitors will be greeted by President T. J. Falvey. Afterwards visitors will go to Mr. Falvey's residence in Swampscott where they will be entertained at tea. Dinner, entertainment and dancing will follow at the Ocean House. The steamer trip will be the big feature Tuesday afternoon. The home office contingent, approximately 700, will be on board. Afterward there will be a shore dinner at the Ocean House for visitors and home office personnel. Wednesday morning and afternoon will be devoted to the golf tournament and to sight seeing. At the formal dinner Wednesday evening there will be entertainment features, a few brief talks and an evening of dancing.

Schofield's Chicago Survey

The visit of E. J. Schofield, chairman of the casualty and surety acquisition cost conferences, to Chicago seems to have been for survey purposes, to get better acquainted with personalities and local sentiment. He called upon a number of branch office managers and general agents, but did not undertake to hold any sort of a meeting. He found that many were out of the city. He was pretty largely on the questioning end and did not offer suggestions for a reform program.

A good many observers have felt for a long time that the Chicago acquisition cost problem can only be settled by head office action, with the aid possibly of a Chicago advisory organization.

Seek Oklahoma Reduction

OKLAHOMA CITY—Commissioner Read predicts a reduction of 10 percent in automobile liability premium rates as a result of the reduction in loss ratio from 47.4 percent in 1936 to 34.6 in 1937. All rates were reduced 10 percent last spring and another reduction is considered probable by Mr. Read and also by A. C. Moore, secretary of the state insurance board. Mr. Moore will go to New York about Sept. 1 to consult with the National Bureau of Casualty & Surety Underwriters and the Mutual Casualty Rating Bureau regarding the reduction. Automobile liability premiums in Oklahoma totaled \$2,625,313 in 1937 and \$2,215,963 in 1936. Losses were \$909,454 in 1937 and \$1,051,915 in 1936.

Fred G. Hoffman, Caldwell, Idaho, local agent, died after a protracted illness. He had been in the insurance business there 29 years.

N. Y. Convention Restores Health Insurance Measure

Reinstates Controversial Provision Permitting Legislature to Make Experiment

ALBANY—The constitutional convention has passed the proposal of the committee on social welfare authorizing the expenditure of state funds to promote the social security of the state by a vote of 108 to 42. It had previously adopted the Corsi amendment to restore health insurance in the measure by a vote of 84 to 66.

At an earlier stage by the margin of one vote the convention voted to delete the provision authorizing the legislature to set up a system of health insurance.

Fears Industrial Cost

Senator Fearon of Syracuse led the fight against adoption of the Corsi amendment, declaring that industry could not stand the cost, that the convention should allow the legislature to await the report of the special legislative commission now investigating the subject and that the legislature would be in position to present a constitutional amendment at a later date which might be much more effective in that it would provide for a definite plan. He declared that the Corsi amendment is a blank check to the legislature.

After passing the Corsi amendment the convention voted down an amendment proposed by D. F. Imrie of Glens Falls to establish a state fund for health insurance and to limit the state's contribution during any one year to 5 percent of the cost of the insurance.

U. S. F. & G. Graduates Class

BALTIMORE—The summer session of the home office school conducted by the United States Fidelity & Guaranty came to a close with a luncheon at which 19 graduates received diplomas from President E. Asbury Davis. W. A. Rogers, Des Moines, was presented a brief case for attaining the highest general average in the class. Second award went to L. K. Mertz, Chicago. Other members of the class were: C. T. Berry, Dalton, Ga.; B. D. Cole, Jr., West Palm Beach, Fla.; A. H. Crosbie, Newton Center, Mass.; N. E. Darrow, Boulder, Colo.; C. F. Eckert, Lima, O.; L. P. Frantzen, Miami, Fla.; F. E. Glick, Pittsburgh; W. J. Green, Kansas City; J. H. Hopkins, Baltimore; D. G. MacMillan, Chapel Hill, N. C.; Howard Williams, Rapid City, S. D.; A. W. Putnam, Fort Lauderdale, Fla.; John Scobell Rowe, San Diego, Cal.; H. L. Schary, Brooklyn; R. L. Simons, Morgantown, W. Va.; H. G. Whitson, Boise, Idaho; J. A. Williams, Jr., Wilkes-Barre, Pa.

Max Silverman Sentenced

NEWARK—Word was received here that Max Silverman, former insurance man of this city, had been sentenced to 14 years in San Quentin state prison in California, on a charge of giving bad checks to a Los Angeles hotel.

Silverman was at one time a member of the M. & S. agency with headquarters in this city, representing several surety companies in their bail bond departments. The agency was dissolved and on several occasions Silverman attempted unsuccessfully to organize surety companies in New Jersey. He was bondsman for "Dutch" Schultz at the time the latter was shot to death in a Newark cafe.

Non-resident Can't Sue Foreign Insurer in Arkansas Over Agency Contract Issue

The Arkansas supreme court has affirmed the action of the trial court in dismissing an action brought against Washington National for alleged breach of two general agency contracts (one for life and one for A. & H.). The case was *Grove vs. Washington National of Illinois*. Grove, a resident of Illinois, had general agency contracts with Washington National covering Missouri, Kansas, Oklahoma, Texas and such portions of Arkansas in which Washington National was willing to accept risks.

Grove undertook to maintain the action in Arkansas on the ground that the general agency contracts were to be partly performed in Arkansas. The supreme court observed, however, that the statute relating to service on foreign insurers was enacted primarily to give the courts of Arkansas jurisdiction in respect to contracts made and business done within the state or necessarily incident thereto. The Grove contracts were not made in Arkansas nor do they relate to business done within Arkansas and it cannot be said that they are necessarily incident thereto. There was no property and no person in Arkansas affected by the contracts. They were not insurance contracts, but agency contracts and they do not arise out of any business done in Arkansas.

Reciprocal Handling Bonds

NEW YORK.—The Ernest W. Brown reciprocals are now prepared to handle fidelity and surety bond coverages. The announcement states that while the Arex Indemnity, the group's casualty carrier, is not at present authorized to issue such coverages, Ernest W. Brown, Inc., "has recently concluded arrangements by which subscribers may place such bonds through this office with one of the outstanding companies."

Uninsured Truckers Cited

ST. PAUL—Seventy-nine truckers operating in Minnesota have been cited to appear before the state railroad and warehouse commission Aug. 29 to show cause why their permits should not be permanently suspended for failure to carry proper public liability and indemnity insurance and file reports on it with the commission.

Truckers in Minnesota, Iowa, Wisconsin, North and South Dakota are affected. Those who can show that they have not operated beyond 35 miles from their own postoffices may gain release.

New Agent Finds Each Interview Nets Him \$2.80

Ernest Butterly of the Newark branch office of the Travelers, who graduated from the home office school in October, 1937, paid for 16 life and 57 accident applications his first six months in the business.

Mr. Butterly kept a careful record of his calls, interviews and sales and found that he received \$2.80 in actual commission for each interview.

Some of the business was on other than annual basis but the deferred commissions on that business did not enter into his calculations.

California Adjuster Case Postponed Until Sept. 27

LOS ANGELES—The case against R. H. Jenkins and H. F. Harris that was instituted by the California State Bar Association was postponed by the federal court here to Sept. 27, when it came up Tuesday of this week. The bar association contends that Mr. Jenkins, who operates a general agency for Trinity-Universal, is illegally engaging in the practice of law by making efforts to collect under subrogation after Trinity-Universal has paid collision losses.

After Trinity-Universal pays a collision loss, it turns the case over to the California Adjustment Company, which is a subsidiary of the Jenkins general agency. The adjustment concern then sends dunning letters seeking to collect from those who were involved in collisions with assured of Trinity-Universal. If this effort is not successful, then the matter is turned over to an attorney. Mr. Harris is employed by Mr. Jenkins in writing letters seeking to effect collection.

To Take Over Tower Mutual

COLUMBUS, O.—Upon application of the Ohio department, Judge Reynolds of the common pleas court has authorized it to take over the affairs of the Tower Mutual of Cincinnati. C. B. Grate, an examiner, has been placed in charge. The department will liquidate the company, if it is found that it cannot be rehabilitated. It is stated that the company's reserve is impaired more than 20 percent and it is unable to make it good.

Undecided on Virginia Suit To Test New License Law

Question Whether Executives Association Action Will Be in State or Federal Court

RICHMOND, VA.—Andrew D. Christian, Richmond attorney retained by the Association of Casualty & Surety Executives to bring suit to test the validity of the new Virginia agents' law governing commissions, is undecided as to whether he will bring action in the state or federal court. He was still hopeful, he said, that there might be a friendly test of the law by having A. P. Staples, attorney-general of Virginia, join with him in making the test. He prefers bringing the action in the federal court but if the attorney-general insists upon going into the state court he might accede to his wishes in the matter.

Members of the law committee of the Association of Casualty & Surety Executives conferred with Commissioner Bowles following his protest against the threatened litigation. The commissioner again urged them not to bring suit but he received no assurance that they would not do so. The group included Ray Murphy, assistant general manager of the association; Austin J. Lilly, assistant general counsel Maryland Casualty; O. R. Beckwith, counsel, Aetna Casualty; R. N. Caverly, vice-president Fidelity & Casualty. Mr. Christian was also present, as were counsel for the Virginia Association of Insurance Agents, which sponsored the law. It was proposed to the agents that they agree to have the suit made a friendly one but they flatly rejected the proposition. If it is decided to test the act in a state court, the suit will have to be brought in the circuit court in Richmond.

Will Have Convention Cruise

E. B. Brink of Detroit, state manager of the Mutual Benefit Health & Accident and United Benefit Life, has completed arrangements for the annual convention cruise when his office will be host to 175 Michigan agents as well as branch managers and agents from surrounding states and Canada. The cruise will be a four-day affair on the Great Lakes on board the "Seeandbee." The party will visit the Soo, cruise through Georgian Bay, spend an evening at Mackinac Island, dock at Green Bay, Wis., and then reach Chicago, Sept. 2

Insurance Men to Take Part in Management Meet

Insurance executives will take an active part in the program of the International Management Congress to be held in Washington, Sept. 19-23. This is the first time the congress has met in America. Insurance men on the advisory council are Chairman F. H. Ecker of the Metropolitan Life; Vice-president W. J. Graham of the Equitable Society; J. A. Stevenson, executive vice-president Penn Mutual, and L. Edmund Zacher, president Travelers. Other insurance men serving on committees in preparation for the five-day program are: N. A. Olsen, second vice-president Equitable Society; Courtland Otis of Otis, Jones & Co., New York City; G. E. Rogers, manager farm loan division Metropolitan Life.

Among those supporting the congress financially are the American Reinsurance, Bankers Life of Iowa, General Accident, General Reinsurance, Glens Falls Indemnity, Globe Indemnity, North America, Lumbermen's Mutual Casualty, National Surety and United States Guarantee.

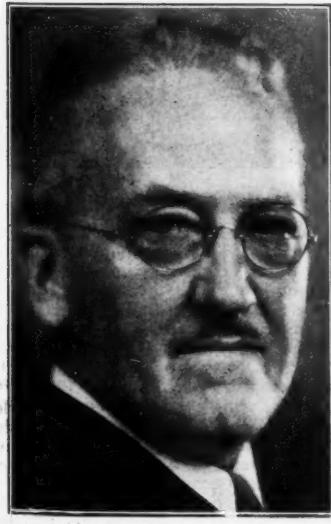
Among the 200 who will present papers on a wide range of subjects the following will deal with insurance:

J. R. Blades, insurance adviser, "Insurance Management—A Major Phase of Business Administration"; W. H. Cameron, managing director National Safety Council, "Accident Prevention in American Industry"; E. S. Cowdrick, consultant in industrial relations, "Management's Approach to the Problems of Social Security"; G. A. Hardwick, vice-president and comptroller Penn Mutual Life, "The Control of Office Work"; B. M. Stewart, director of research Industrial Relations Counselors, "Administration of Unemployment Insurance," and R. R. Zimmerman, Federal Home Loan Bank Board, "Developments in Group Health Plans for Wage Earners."

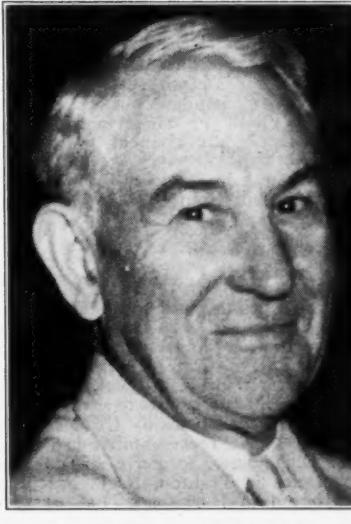
for a sightseeing tour. The home office will be represented by D. A. Long, W. D. Huggins and Floyd Holdren. Other guests will be R. W. Sullivan, manager at Cleveland; H. W. Swisher at Columbus; C. O. Gurney at Cincinnati and Rush Kirkham at Toledo. Ken Curry, agency organizer for Canada with headquarters at Toronto, will also be a guest.

The Houston Fire & Casualty, represented by Cravens, Dargan & Fox, has applied for admission to the state of Washington.

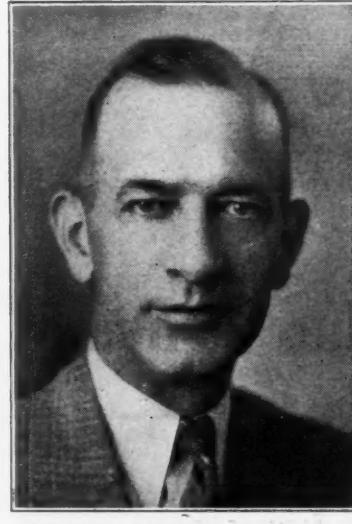
FEATURED AT WASHINGTON AGENTS CONVENTION



H. E. BRIGGS, Seattle
State President



W. H. BENNETT, New York City
National Secretary



G. C. APPLETON, Fresno, Cal.
California Councillor



WILLIAM QUAID, New York City
Vice-president Home Group

BRING YOUR UNUSUAL RISKS TO INDEMNITY

We shall be glad to have you bring your problems to us, no matter how unusual the risk. We have the experience and world-wide facilities to render you the type of service you are looking for. We are ready to discuss and handle unusual types of general liability or contract to cover all business needs.

Whatever your proposition may be consult with us. We shall be glad to assist you whenever possible in securing adequate coverage.

CAPITAL \$1,000,000
CASUALTY
FIDELITY
SURETY



Indemnity Insurance Company of North America

PHILADELPHIA

We are anxious to assist the Agent or Broker in securing adequate coverage for unusual propositions.

CHANGES IN CASUALTY FIELD

New Setup in Kansas City

National Surety Merges Kansas and Missouri Offices—Carl Cross Goes to Denver as Manager

KANSAS CITY—The National Surety is closing its Kansas City, Kan., office Sept. 1, and will consolidate it with the Kansas City, Mo., office under F. C. Brinkman.

Carl C. Cross, who has been in charge of the Kansas office, goes to Denver as manager for National Surety there. Ralph Smith, branch manager for the National in the Rocky Mountain region for years, will become resident vice-president.

The change will place Mr. Brinkman in charge of western Missouri and Kansas territory. Branch manager here since 1929, he has in that period doubled the business in the western Missouri area. For the year so far, the western Missouri business is 20 percent ahead of last year.

Mr. Brinkman was one of the most active figures in the fidelity bond campaign conducted by the Casualty & Surety Underwriters Association. He is a member of its executive committee. He started the idea of a surety branch managers luncheon group, which has been meeting informally once a month for several years.

Guy W. Howland, assistant manager of the merged office, has been with the Kansas City, Mo., branch about five years. L. A. Schmitt, special agent in Kansas, will continue in that capacity. Campbell Hodge, special agent, will work in both states. He has been in the western Missouri office. D. B. Barnett, specialty man on forgery, will continue in that capacity for both states.

Names Iowa District Managers

The Farmers Automobile Inter-Insurance Exchange of Los Angeles, which is becoming quite active in Iowa, has appointed two new district managers in that state, Glen M. Kaufman at Iowa City and G. L. Mason at Eldora.

W. R. Schanals, formerly branch claims manager at Phoenix, Ariz., has been appointed district manager at Long Beach, Cal., succeeding R. R. Warriner, retired on account of ill health. J. V. Daly, branch claims manager Oakland, Cal., succeeds Mr. Schanals in Phoenix and J. B. Stafford becomes Oakland claims manager. L. E. Heurkins is appointed office manager of the St. Paul, Minn., branch.

K. J. Scott Now in Charge

Kenneth J. Scott, Michigan state agent for Standard Fire of New York and Tokio M. & F., has been placed in charge of the Detroit service office of the affiliated Standard Surety & Casualty as well, in the Transportation building. The arrangements were completed by Vice-president George Z. Day when he was in Detroit the other day. Mr. Day went from Detroit to Chicago and Indianapolis.

F. & D. Men Are Shifted

Bryan Leitch has been appointed manager of the Dallas branch of Fidelity & Deposit under Resident Vice-President R. E. Carter. Mr. Leitch has been manager for F. & D. at Oklahoma City since that office was opened in 1935. He is succeeded there by C. F. Duffey, formerly special representative in Dallas.

C. D. Thomas, formerly special representative in Trenton, N. J., has been transferred to Harrisburg, Pa., as special representative in the G. L. Cullumerry general agency of F. & D. He takes the place of Alex P. Clark, Jr.

who becomes assistant manager in the Conkling, Price & Webb agency of F. & D. in Chicago.

Appoints Gaedke-Miller

MILWAUKEE—The Gaedke-Miller agency has made a general agency contract with Standard Surety & Casualty of New York.

The Gaedke-Miller office will serve as general agent for Standard Surety & Casualty throughout the state of Wisconsin.

The Cooling-Grummee-Mumford Company of Indianapolis has been appointed Indiana general agent for Standard Surety & Casualty.

Miller with Ohio Casualty

John J. Miller has been appointed supervisor of the automobile division of the Ohio Casualty for Michigan and Indiana, with headquarters at the home office in Hamilton, O. He was former secretary of the Auto Owners of Lansing, Mich.

Bernard with Anchor Casualty

R. L. Bernard has joined Anchor Casualty as state agent for Nebraska and western Iowa with headquarters in Omaha. After leaving the University of Nebraska in 1926 he went with the Hartford Fire in the live stock department as special agent in southwestern Iowa, Nebraska and parts of South Dakota and Wyoming. He had been so employed until he joined Anchor Casualty.

Dugan Kentucky General Agent

John L. Dugan of Dugan, Humphreys & Co., Louisville local agency, has been appointed general agent for the state

Made Superintendent in Two Southern States



DON J. KELLEHER

Don J. Kelleher this week began his new duties as superintendent of Kentucky and Tennessee agencies for the Bituminous Casualty, working from the southern branch office in the Heyburn building in Louisville. He has traveled a large portion of Illinois as special agent the past two years, joining the Bituminous service staff in 1936 after serving during the Chicago World's Fair as assistant to J. H. Wamsley, director of insurance. Prior to that time he had casualty underwriting experience in a Chicago general agency.

W. Harold Froehner and Jack Reddy now are special agents for the Bituminous in the Illinois territory formerly serviced by Mr. Kelleher.

A Specialist in *getting YOUR money's worth*

THE successful insurance agent is a specialist, with years of experience analyzing special problems and risks like your own.

He draws on this knowledge when, as your insurance purchasing agent, he buys for you the most efficient coverage at the minimum cost. And he draws again upon experience when claims occur and he acts as your representative.

His business is built on getting you *your* money's worth, in protection and prompt payment.

Insurance that minimizes the agent's function may lessen your protection, your service. Insurance is dollar protection. There are no cut-rate dollars for sale.

Why not let an experienced agent or broker take a look at your business from an insurance point of view? Like a check-up by your family doctor, it can do no harm—may save your business life.

This is one of a series of advertisements appearing in national publications in the business and financial fields.

These viewpoints have tested sales and competitive power because they are founded on fact.

Use them!

NATIONAL SURETY CORPORATION

VINCENT CULLEN, President

of Kentucky by the Fireman's Fund Indemnity. Mr. Dugan has had 15 years experience as an agent in Louisville, and prior to that was special agent of the automobile department of the Hartford in Chicago. He is a son of Thomas S. Dugan, resident vice-president at Louisville of the U. S. F. & G.

The Fireman's Fund Indemnity was admitted to Kentucky some time ago, but is just starting to build an agency organization.

Nathan Barry Claim Head

Nathan Barry has been appointed head of the claim department in the Chicago office of Standard Surety & Casualty. He is an experienced man in the line. Until recently he was connected with Ohio Casualty in Chicago and previously was with Globe Indemnity and London & Lancashire Indemnity.

Lawrence Drinard has been appointed resident agent at Richmond, Va., of the Pennsylvania Indemnity, succeeding D. L. Rice, transferred to Philadelphia. Mr. Drinard was assistant to Mr. Rice in the Richmond office.

N. Y. Plan Good Only Where Uniform Rates Are Used

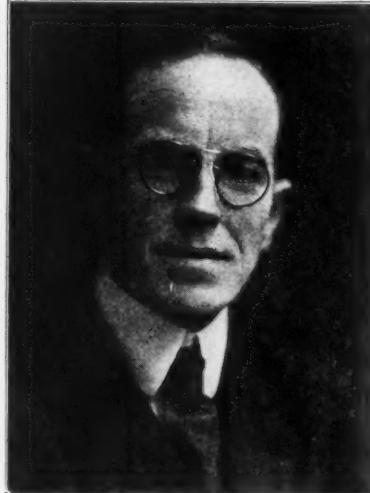
Commissioners and agents of a number of states have been making inquiries of companies whether the automobile rating plan that is to be introduced in New York state at the time the new rate revisions are put into effect cannot be set up in other states. The company executives say that the plan that has been agreed upon for New York state can only be used in a jurisdiction where a uniform scale of rates is employed by all companies. The elaborate system of keeping an index of driving records with a central bureau for the purpose of applying penalties in the rates or giving credits would be futile if a variety of rates were being offered in a state.

ACCIDENT AND HEALTH

Budlong Executive Secretary

Takes Over Direction of Affairs of National Accident & Health Association

E. C. Budlong, widely known in accident and health insurance for many years, has been appointed executive sec-



E. C. BUDLONG

retary of the National Accident & Health Association, with headquarters at 330 South Wells street, Chicago. He was selected for the post by a special committee named at the Cleveland convention of the National association and

the appointment has now been confirmed by the executive committee of the association. He will take over the work of the office at once.

Mr. Budlong entered insurance work with the general agency of Starkweather & Shepley at Providence, R. I., and later was in the life insurance field in Denver. His first connection in accident and health insurance was as state agent of the Bankers Accident of Des Moines in Minneapolis. He later became vice-president and agency manager of that company at its home office and served in that position for 15 years until its merger with the Federal Life of Chicago. He was vice-president and superintendent of accident and health agencies of the Federal for 11 years. For the past two years he has been engaged in advisory work for accident and health companies.

Mr. Budlong was for many years a prominent figure in the Health & Accident Underwriters Conference, serving as its secretary and later as president in 1923-24.

New Policies Issued by Loyal Protective Life

The Loyal Protective Life's new "pioneer" disability policy pays indemnity for total accident disability for 24 months, with two-fifths partial for six months; 12 months for confining sickness, and one-half non-confining for six months. If non-confining disability follows not less than seven days confining, full indemnity is paid for the first month of non-confining. The policy is written with no elimination period or with three or seven days elimination, ages 50-54.

The Loyal also is issuing a hospital reimbursement supplement which pro-

vides \$3 per day for hospital room for 30 days; operating room, anaesthesia, x-ray and laboratory fee. Premium is \$2 quarterly in class AA. The supplement is also sold with \$5 hospital room allowance and larger amounts for the other provisions at a higher rate.

The "income protector" policy is now written with a rider which provides full indemnity for total non-confining illness, with rates for no elimination period or elimination of three or seven days for both accident and illness.

Want Bureau Meet on Coast

NEW YORK—The Bureau of Personal Accident & Health Underwriters has received an invitation from the management of the Golden Gate Exposition in San Francisco to hold its 1939 convention in that city. The communication is supplemented by letters from Governor Merriam, Mayor Rossi and officers of various civic bodies.

Producers to Bermuda

Leading producers of the North America Society of Richmond, Va., in the Richmond and Petersburg districts have been given a trip to Bermuda in recognition of their sales record. The party was headed by Robert U. Woods, an executive of the society, which specializes in the writing of hospital insurance.

Glines Succeeds Waugh

Earl E. Waugh, in charge of the San Francisco claim zone office of the Pacific Mutual Life for eight years, has resigned to enter the practice of law in association with Byron Arnold, devoting his time largely to insurance litigation. Derol Glines, who went to San Francisco from the home office a year and a half ago, succeeds Mr. Waugh.

The Acme Hospital & Life has been licensed in Minnesota to operate on the assessment plan.



GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

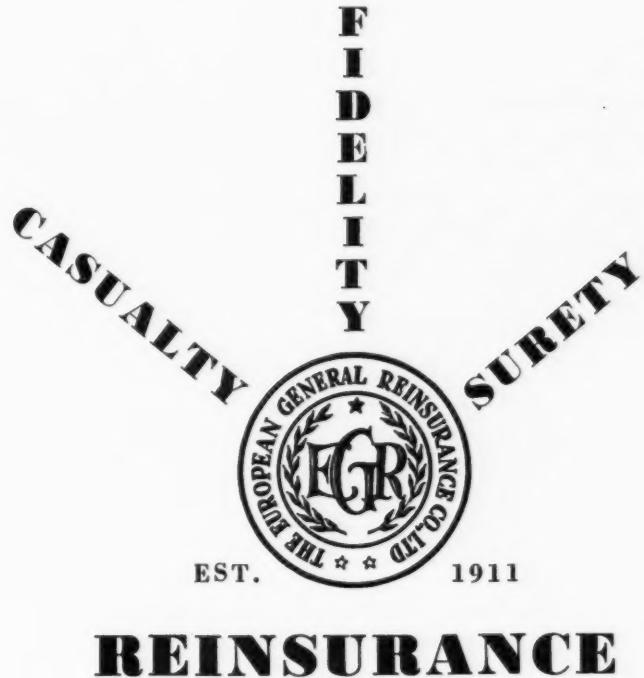
Items from Financial Statement of December 31, 1937:

Capital	\$1,000,000.00
Surplus	5,285,913.04
Loss Reserve	5,782,928.73
Premium Reserve	2,363,557.67
All Other Liabilities	856,253.72

Total Admitted Assets \$15,288,653.16

Securities carried at \$936,506.03 are deposited in accordance with law.

Casualty, Fidelity and Surety Reinsurance

**REINSURANCE**

The EUROPEAN GENERAL Reinsurance Company, Limited

OF LONDON, ENGLAND

UNITED STATES BRANCH • 99 JOHN STREET, NEW YORK

T. L. Haff, Manager

E. Brandli, Asst. Manager

NEWS OF CASUALTY COMPANIES

Insurers Indemnity Has Made Half-Year Advance

The Insurers Indemnity & Insurance Co. of Tulsa, Okla., in its July 1 statement shows assets \$676,434, compared with \$519,280 the first of the year. The premium reserve is \$93,161 as compared with \$15,873. The loss reserve was \$76,711 as compared with \$10,087. The capital is \$250,000 and the net surplus \$210,000 as compared with \$227,725. Naturally the increase in reserves has reduced the surplus to some extent. S. H. Green is executive vice-president and manager. G. W. Allen, formerly with C. E. DeWitt, independent adjuster at Dallas, and later with the Fire Companies Adjustment Bureau of Austin, Tex., is now superintendent of the claim department of the Insurers Indemnity. C. R. Sliger, formerly with the Employers Casualty at Dallas, is manager of the engineering department.

Manhattan Mutual Statement

The June 30 statement of the Manhattan Mutual Automobile Casualty re-

flects the absorption of the assets and liabilities of the Metropolitan Mutual, which went under the management of the Manhattan Mutual last December, although the merger was not formally consummated until June 30. Admitted assets are \$939,798 and liabilities \$667,524, leaving a surplus to policyholders of \$272,274. Cash and government bonds account for \$718,083 of the assets. Premiums earned the first six months were \$632,410, compared with \$342,115 in 1937.

Pacific Indemnity Gains

The Pacific Indemnity has declared the regular dividend of 40 cents per share and an extra dividend of 10 cents per share, payable Oct. 1 to stockholders of record Sept. 15.

Earnings for the six months totaled \$391,818, against \$336,679 in 1937, increase 16 percent. Combined earnings and realized net gains totaled \$404,530, against \$398,534 in the 1937 period.

Assets increased from \$10,011,344 on Dec. 31, 1937 to \$10,580,755 on June 30, all securities being carried at actual market values. Surplus to policyholders,

increased from \$4,022,037 to \$4,444,921. Gross premiums written for the six months totaled \$3,041,167, against \$2,801,936. Net premiums totaled \$2,690,545 against \$2,489,979.

New York Indemnity Dividend

The final liquidation dividend of the New York Indemnity has been paid. On May 31, 1931, its business was consolidated with that of the Union Indemnity and following the receivership of the latter company in January, 1933, the New York Indemnity was taken over for liquidation by the New York department. The first dividend paid was 6 percent and second and final amounting to 4½ percent is now being paid with an additional 7 percent to New York compensation claimants, the latter being paid out of the special deposit held by the New York department for protection of this class of claimants.

Abandon Detroit Mutual

LANSING, MICH.—Surrender by the partially organized Sterling Mutual Casualty of Detroit of its temporary certificate of authority indicates that its promoters have abandoned their efforts to launch this new carrier planned to specialize in writing business for persons coming under the financial responsibility act and requiring statutory coverage in order to retain the right to operate a car.

The Haddon-DuPont agency, operated by some of the chief promoters of the projected new carrier, which was to have functioned as its general agent, also is reported to have discontinued operations. The temporary certificate for organization purposes was issued in May. The list of incorporators was headed by H. T. Haddon, J. R. Vaughn and C. W. DuPont.

The Kentucky department has canceled the license of the Tower Mutual of Cincinnati and notified all agents to cancel their policies and rewrite them with other companies.

The Lumbermen's Mutual Casualty of Chicago and the Pennsylvania Casualty of Lancaster have been licensed in Arkansas.

COMPENSATION

Hard Coal Men Say Proposed Move Would Bankrupt Them

Enforcement of the Pennsylvania proposal which would double liability for all employers not complying with the optional provisions of the compensation act would bankrupt Pennsylvania's hard coal industry, J. H. Bigelow of the Anthracite Institute declared at the hearing held on the amendment by the Pennsylvania committee of labor and industry. Mr. Bigelow said that the liberalized compensation act of 1937 has boosted the cost of compensation to coal producers by from 125 to 135 percent and said that operators who have accepted the act pay about \$30 per \$100 of payroll.

Lieutenant-Governor Thomas Kennedy, however, representing the United Mine Workers, pointed out that the smaller companies are already complying with the 1937 act and only a few large anthracite producers have rejected it. The house has already passed the proposed double liability amendments and further action on the bill is expected when the legislature reconvenes Sept. 6.

Must File Endorsements

NEW YORK—All authorized endorsements appearing in the manual of the Compensation Insurance Rating Board, General Manager L. S. Senior advises, "must be filed by carriers with the board for approval as to accuracy of form. All special forms of endorsement which are not printed in the manual or otherwise published by the board shall require the approval of the board and such special forms shall be approved only if they are not in conflict with the provisions of the standard policy or the compensation manual."

Minnesota Assigned Risk Report

MINNEAPOLIS—J. F. Reynolds, manager compensation rating bureau, reports that from Oct. 1, 1935, to Sept. 30, 1936, the loss ratio of all companies on assigned risks was 48 percent. From July 1, 1929, to Sept. 30, 1935, the average loss ratio was 61.7 percent.

death of each member. Circuit Judge W. L. Pierce is president of this society which was organized in 1916.

Mr. Boyce was for many years an active organizer and field man for the Royal Arcanum. He was a general agent for North American Accident.

Officials and employees of the Aetna Life and Aetna Casualty in Little Rock, Ark., joined in a celebration of the birthday of Gordon H. Campbell, general agent in Little Rock.

A special business campaign had been staged by the organization for 10 days and a birthday cake was presented to Mr. Campbell, carrying 106 candles, each one representing an application submitted for this occasion. Presentation of the cake was made by Edwin Williams.

WANTED

Direct writing general insurance office wants competent casualty man for placing and underwriting. State qualifications and experience.

ADDRESS H-89, NATIONAL UNDERWRITER

WANTED

Experienced Compensation and Liability Underwriter — preferably with home office experience to work in Home Office of Casualty Company in the middle west.

ADDRESS H-90, NATIONAL UNDERWRITER



Yes Sir . . . American Casualty Agents are making money with the new Hospital Service Expense Policy. Never before in our experience has an insurance plan met with such widespread public response. Everybody is talking about Hospitalization Insurance, and once again the American Casualty Company shows its progressive viewpoint by providing a policy for its agents which is second to none.

This is just one more example of the modern, up-to-the-minute contracts issued by this aggressive agents' company. An American Casualty franchise is one of the finest "builders of business" that any agency can have.

A Complete line of Commercial, Monthly and Group Accident and Health policies.



Coble Is Named Oregon President at Portland Meet

(CONTINUED FROM PAGE 5)

placing of insurance in non-licensed carriers. Efforts are being made to secure business for stock companies now written by London Lloyds. The growing practice of placing excess liability and property damage coverage with London Lloyds was condemned by Mr. Schmeer who urged that protests be filed with the insurance commissioner whenever the violation occurs so that every effort could be made to stamp out the practice.

Mr. Schmeer recommended that the association consider the securing of a paid secretary who also could be of great assistance in legislative matters which will likely be faced by the association.

Quaid Discusses Facts

William Quaid, executive vice-president Gibraltar Fire & Marine, spoke on "Some Modern Facts About the Business of Fire Insurance." He urged that the closest possible bond be maintained between the agents and their companies, and that in these times they should stick hard and fast to the right and best underwriting road and highest principles. He urged that agents have a better understanding of their business and to think of it as a much needed commodity.

E. C. Fox, San Francisco, Cravens, Dargan & Fox, said agents can do well to keep close to their code of ethics. He declared that the client can always afford what he needs and that it is up to the agents to show them this need. No really definite results can be obtained without real purposes, and all must have real and definite vision if they hope to keep up with the modern parade of present-day business, he declared.

Service Answer to Competition

Service is the answer to mutual competition said Raymond L. Ellis, San Francisco, assistant vice-president Fireman's Fund. It is a waste of time to talk about an analysis of financial statements; instead "talk quality and selling costs, and then build confidence in yourself and your company," he said.

W. K. Lownsberry, Seattle, assistant manager Swett & Crawford, talked on "Lloyds—Its Proper and Legal Place in Oregon." He told of the various kinds of unusual protection offered by the Lloyds which other companies do not write. Lloyds' facilities are needed in Oregon as well as in other states to enable agents to satisfy their clients, he said.

Casualty Reserves Viewed

"Casualty Loss Reserves" were discussed by R. W. Forsyth, San Francisco manager Indemnity of North America.

Walter H. Bennett, New York, secretary National Association of Insurance Agents, prior to his timely address on "Dividends from Investments" was given a rising vote of thanks for his past and ever-increasing helps to the Oregon association. He viewed the critical situation that now confronts all business.

Leslie M. Scott, president Portland Chamber of Commerce, spoke on "What's Ahead for Oregon?"

At the banquet Past-President Paul Landry, Klamath Falls, presided. Walter H. Bennett outlined some of the problems that had been solved by the National association. Commissioner Earle told of his "Three and a Half Years' Experience as Insurance Commissioner." Mr. Earle declared that agents should strive to represent only sound companies. Oregon rates are based on Oregon experience and they are justified and proper.

Hugh V. Lacey's Address

Hugh V. Lacey, vice-president Phil Grossmayer Company, general agent at Portland, said it is necessary for the

stock companies to be more aggressive in the state. At one time the stock fire premiums reached nearly \$7,000,000. Now the figure is \$4,000,000. The income has dropped over 30 percent but the mutuals, he said, have increased to 50 percent. He thinks that the stock companies are headed toward bureaucracy and try to regulate the business too much. There are too many bureaus and commissions in his estimation.

There are 280 stock companies and their annexes in Oregon. He thinks that the stock companies are making a mistake in giving the mutuals an edge in the levy on them for organization and rating expense. He said, for instance, that the mutual deducts its dividends before an assessment is made for bureau expense. A levy is made on the gross premium of the stock companies and on the net of the mutuals. He took the position that the mutuals and reciprocals are given too many favors and that the comparisons between the net of the mutuals and gross of the stock companies is odious.

Frank Fassold, manager of the Portland Insurance Exchange, advocated an oral examination of agents before licenses are issued. He feels that the examinations should be conducted by the state association, thus eliminating the political angle. He said that if he were

an agent he would not object to the number of agents any company he represented had in the home community provided they were qualified. The day is past, he said, when an agent sells to a client any particular company. What the agent does is to sell himself to the client. He said that all companies operating in a fleet, regardless of whether they are under the same local management or not should be treated as one and the same institution. No business, he said, can survive without its trade organization. Much can be accomplished through associated effort.

Wire from John O. Baker

John O. Baker, president of the Portland Exchange sent a wire expressing regrets on inability to extend greetings. He expressed the wish that a full-time secretary be employed and called attention to progress made during the past year.

Charles F. Carlisle, president Special Agents Association, brought greetings from the field men, congratulating the association on its tenth birthday and pledging cooperation.

G. C. Appleton, Fresno, chairman far-west association of national councillors, told of the work of the national councillors.

Reciprocal competition was discussed

by John A. Bunting, Portland, special agent Crum & Forster.

Old Pacific Mutual Case

LOS ANGELES—Federal Judge Ling at Prescott, Ariz., has continued the trial of the 13 former officials of the old Pacific Mutual Life, set for Sept. 6, at Phoenix, Ariz., until Oct. 6.

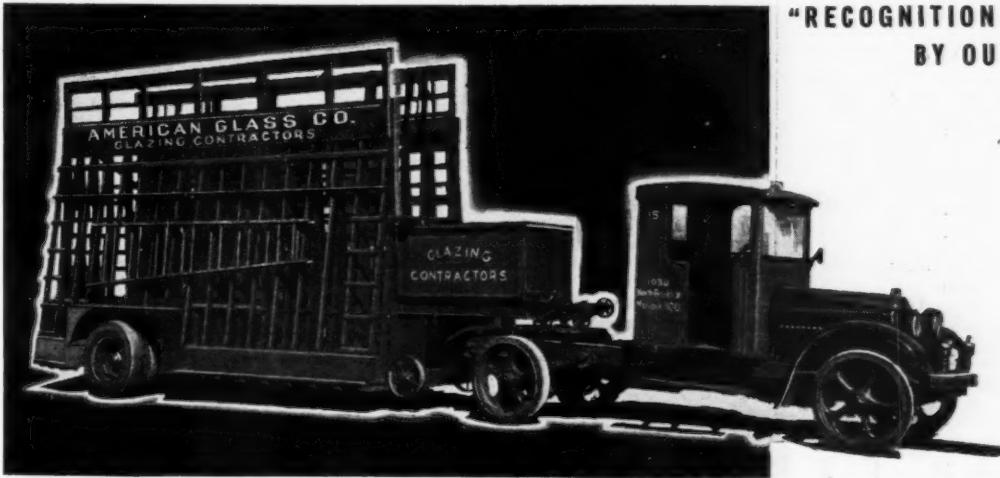
The continuance was brought about by a motion filed by counsel for former President G. I. Cochran, on the ground that trial in Phoenix at the original date would be prejudicial to the health of his client, and that he had not sufficient time to prepare his case properly.

Standard's Football Schedule

Standard Accident has published a football schedule of leading colleges and universities. All major conferences are included. Many non-conference teams also appear. Nearly 100 teams are represented.

Mrs. A. Zimmerman, wife of the Los Angeles manager of the American Surety, died at Cimarron, N. M., from a heart attack. Mr. and Mrs. Zimmerman had gone to New Mexico about three weeks ago for a vacation.

Marcus A. Seabolt, 64, special agent the Massachusetts Protective, Fort Smith, Ark., died at his home there.



**"RECOGNITION MERITED
BY OUR SERVICE"**

LOW BRIDGE

Service, to be reliable, must be complete. The American Glass Company recognizes this fact and it contemplates certain obstacles and difficulties as in any other line of business.

An example: We have had built a special trailer truck so constructed that it will take the largest plate of glass required in any Chicago location. It is designed so that it can pass under low bridges, viaducts, etc., thus avoiding detours and affording greater speed in plate glass replacement. It is the only one of its kind in Chicago.

The complete, reliable and prompt service of the American Glass Company has made it the outstanding plate glass replacement organization in Chicago.

**PHONE
MOHawk 1100**

American Glass Company
1030-42 NORTH BRANCH STREET - CHICAGO

Canada Insurance Superintendents in Annual Conference

(CONTINUED FROM PAGE 3)

than life. The blank for reciprocal exchanges, newly adopted last year, has been criticized by the reciprocals as containing needless information and involving undue work in preparation. The committee reached no definite conclusion as to how far it will go in altering the blank to meet these criticisms.

Superintendent Lafrance of Quebec, as chairman of the committee on valuation of securities, reported that toward the latter part of December the committee will recommend for adoption a basis of valuation which it is anticipated will conform closely to what will be adopted by the National Association of Insurance Commissioners of the United States.

Curbing Part Time Agents

The committee on licensing and regulation of agents, consisting of Superintendents Lafrance of Quebec and MacLatchy of New Brunswick, recommended that in centers of 10,000 population and over no part-time agents be licensed except for a probationary period not exceeding one year. It also recommended that the conference go on record against granting a license to any person in a position to coerce or influence business by reason of occupation, for example, foremen and the like, or who by reason of occupation can obtain information regarding the financial position of residents of the district which is not available to the general public, or anyone who by reason of occupation is unable to give time and service to the public throughout the year.

The committee also urged that the appointment of desirable full-time agents be preferred and that any part time agent should be of a type who will

actively canvass for business in the field and provide service to the public. It further recommended that an insurance office employee who now holds a license should, on applying for renewal, sign an agreement to become a full time agent not later than Jan. 1, 1940. In the case of a new applicant, companies should be asked not to recommend for a license any employee who in their opinion does not intend to devote his full time to selling insurance or head office agency field work and that where a license is granted to such an employee it should be for a probationary period of not more than two years.

Against Evasion via Wives

The committee recommended against the granting of licenses to married women where for any reason the husband is ineligible to receive a license in his own name by reason of any rule or regulation of the insurance department.

It was recommended that resident restrictions insofar as licensing is concerned be done away with and that in determining the license fee for non-resident agents, the non-resident agent be required to pay the license fee of the province where he desires to transact business unless the province where he is licensed charged agents from the province where he desires to transact business a higher fee. In such event, the agent would have to pay the higher fee.

Delay on Standard Policy

The standing committee on fire insurance legislation recommended that, in view of the American commissioners not having yet made final recommendations as to the standard fire contract, the Canadian committee review the proposed uniform fire contract now before the National Association of Insurance Commissioners in the final form in which it will be presented at their mid-year meeting with a view to submission of final recommendations by the Cana-

dian committee at the 1939 Canadian commissioners' conference.

The principal other matter discussed in the committee's report was the proposal for uniformity in the restrictions on term policies on mercantile risks. While risks may be written on a three-year term basis outside of the mercantile and manufacturing field, the latter type of risks are restricted to one-year fire policies. However, the restriction does not apply to mutual and reciprocal policies. The committee made no recommendations, preferring to have the question discussed by representatives of the different interests attending the conference.

Marine Act Discussed

Superintendent McNairn of Ontario, secretary of the superintendents association, has submitted a report on the proposed enactment of a marine insurance act along the lines of that now in effect in British Columbia, which in turn was modeled after the marine insurance act of England. He appended letters from C. M. Ormston, president Canadian Board of Marine Underwriters, F. Wilkinson, Toronto attorney, and G. L. Schetky, secretary-treasurer Association of Marine Underwriters of British Columbia, all of whom endorsed the British Columbia statute as a means of clearing up many of the uncertainties which marine underwriters face in Canada under the present laws.

As chairman of the committee on definition and interpretation of fire, marine and casualty underwriting powers, Superintendent McNairn presented a tentative draft on the proposed uniform definitions of classes of insurance. He said the report is incomplete, but the committee feels that substantial progress has been made.

The committee on automobile insurance legislation and standard forms, of which Mr. McNairn is chairman, reported preparation of a standard application and policy to replace the temporary non-ownership forms, which

were approved for use and released to insurers in July, 1934.

Because many insurance agents do not keep accurate accounting records, the special committee on credit and free insurance evils appended to its report an outline of a bookkeeping system which is simple though adequate. This was drawn up by the Toronto chapter of the Canadian Insurance Accountants Association and incorporates the suggestions of those responsible for making the returns.

"For some years Ontario has been aware that a very large number of insurance agents do not keep a proper set of books of record, if indeed they keep any record," Chairman C. C. Johnson, chief agency officer of the Ontario department, reported. "In a number of instances the advisory board, after considering the case of a delinquent agent, has recommended that he be required to install a proper bookkeeping system before being granted the renewal of his license.

"Recently Inspector G. N. Sheppard of the department evolved a simple system of bookkeeping which, with a few slight changes suggested by competent insurance accountants, is held to be a satisfactory system for use in an insurance agency. The cost of setting up this system would be approximately \$10 and the system is so simple that even a person not acquainted with bookkeeping should be able to follow the same after very little instruction.

Wants Standard System

"The consideration of the conference is sought as to whether or not this system should be recommended as a standard system of bookkeeping for insurance agents. In many cases Ontario intends to recommend its use and specimen forms will be printed and distributed to all insurance agents as a guide in the installation of proper accounting records."

Speaking on agency matters Walter H. Bennett, secretary National Associa-

AN EXCEPTIONAL OPPORTUNITY FOR BRANCH MANAGER

Outstanding non-conference automobile insurance company has opening for management of important branch office in Middle West. Attractive salary, excellent future, all replies will be held in strictest confidence. For further information address the law firm of Hinshaw and Culbertson, One La Salle St. Building, Chicago.

tion of Insurance Agents, said an agent has no right to commission unless he earns it. He held resident agency laws are laws for the assured as the agent's duty does not stop with the signing of the policy. He also addressed a lively meeting of the Victoria & District Fire Insurance Agents Association on this subject, with many visitors present. He insisted that the public pays for the local agent's service in the rate charged and should be able to get it. Resident agency laws are needed to prevent over-head writing, he declared.

There was much discussion on the

question of eliminating part-time agents. It will come up again at next year's conference.

Advisory boards for provincial superintendents and the writing of mercantile and manufacturing policies on a three-year basis were discussed. On the latter point the opinion seemed to favor continuance of the present practice.

Catherine Kysela, daughter of J. A. Kysela, prominent Cleveland agent, was married to Ed D. Hays of Cheyenne, Wyo. She had worked for the past year in her father's agency.

NATIONAL AGENTS' CARD IS ANNOUNCED

(CONTINUED FROM PAGE 3)

tages and pitfalls; (2) how to establish and follow through programs.

b. Dissemination of favorable publicity as a production aid to local boards writing public business: (1) abundance of material; (2) good example: "What Are We Doing for the Other Fellow," W. E. Mallieau; setting up program as given in address.

c. Traffic and safety council: (1) should local associations sponsor safe driving schools? (2) clarifying association position vs. so-called automobile clubs; (a) automobile clubs bidding on public business.

d. Potential car owner and first car buyer: (1) emphasis on moral obligation to public being as important as learning mechanical operation; (a) to be included in high school curriculum; (2) divorcing of insurance from finance companies.

General agents.

a. What is a general agent? (as viewed in different localities throughout the country).

b. Should not companies operating through general agencies conform to same rules and regulations as affiliates or running-mates operating through direct local agency appointment? Can parent companies hold general agent in line as to number of appointments, commission scale, soliciting of direct business, etc.?

State legislation.

a. Compulsory automobile insurance, state fire fund and workmen's compensation. (1) Is plan of attack sound? (2) Is active participation in politics necessary? (3) Removal of causes for agitation.

Is inland marine insurance a threat to local board control?

7 p. m.—Annual get-together dinner and the N.A.I.A. Ice Follies, Arena, Municipal Auditorium, President Charles F. Liscomb, Duluth, Minn., presiding.

Introduction of distinguished guests and national leaders.

Address of welcome.

Response: Sidney O. Smith, Gainesville, Ga., member national executive committee.

Music and Ice Follies featuring internationally famous figure skating stars.

Wednesday, Sept. 28

8 a. m.—Committee breakfast conferences:

Members interested in the activities of particular committee are cordially invited to attend that conference.

Accident prevention committee, Century Room, Hotel Lowry, David A. North, New Haven, Conn., chairman, presiding.

Fire prevention committee, Hotel Lowry, A. B. White, Keene, N. H., chairman, presiding.

Legislative committee, Hotel Lowry, Payne H. Midyette, Tallahassee, Fla., chairman, presiding.

Membership committee, Hotel Lowry, James M. Crosby, Jr., Grand Rapids, Mich., chairman, presiding.

10 a.m.—First convention session, ballroom, Hotel Lowry.

Call to order by the president.

Invocation—Right Rev. Stephen E. Keeler, bishop coadjutor of the Protestant Episcopal Church of the diocese of Minnesota.

Report of the administration, Charles F. Liscomb, president.

Keynote address: Walter H. Bennett, general counsel National Association of Insurance Agents.

Discussion: "Proposed Revisions of the Standard Fire Policy," led by Julian Lucas, Davis Dorland & Co., New York City, past president National Association of Insurance Brokers.

Special report from the conference committee, W. Owen Wilson, Richmond, Va., past president National Association of Insurance Agents, chairman.

Latest developments in rural agents program, R. W. Forshay, Anita, Ia., chairman rural agents committee.

Group Sessions

2 p. m. Agency management and operation.

Prior to the meetings of the individual groups, all three will convene in the ballroom on the mezzanine floor of the Hotel Lowry for a presentation of the talking motion picture "Word Magic," illustrating the application of important selling suggestions. The picture is shown through the courtesy of the Aetna Casualty & Surety and will begin promptly at 2 o'clock. Immediately thereafter, the group sessions will be held as follows:

Group 1. For agents producing up to \$100,000 in annual premiums, Hotel Lowry, Wirt A. Yerger, Jackson, Miss., secretary Mississippi Association of Insurance Agents, presiding.

1. Surveys. (a) Proper method of handling for average agency. (b) Results.

2. Planned production. (a) Diversified sales. (b) How accomplished by agency with limited personnel.

3. Collections. (a) Handling small premiums. (b) Local board uniformity and extension of credit.

4. Advertising. (a) Kind most effective. (b) Amount to be spent for this purpose.

Group 2. For agents producing from \$100,000 to \$200,000 in annual premiums, Hotel Lowry, L. P. McCord, Jacksonville, Fla., national councilor Florida Insurance Agents Association, presiding.

This will be primarily a question and answer session, questions submitted by those in attendance to be answered by a panel of well-qualified men, including agents and company men, the latter representing the different branches of the insurance business.

Group 3. For agents producing over \$200,000 in annual premiums, Hotel Lowry, Frank T. Priest, Wichita, Kan., presiding.

1. Collections and premium financing. 2. Increased cost to agency as a result of social security and other taxes, etc., which were never contemplated in the original agency commission.

3. Methods of increasing production. (a) Through surveys. (b) Through at-

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tention to claims, prompt payment, and other services to the assured.

4. Coordination and supervision of engineering and claims departments.

5. Solicitors. (a) How developed into first class producers. (b) Best methods of compensating.

6. Use of Washington service office.

7. Safe driver reward plan.

4:30 p. m.—Meeting of committee on resolutions.

4:30 p. m.—Meeting of committee on nominations.

7:00 p. m.—Paul Bunyan party. A lumberjack party with lumberjack food and entertainment, including dancing on the world's largest dance floor, Coliseum, Fair Grounds.

Thursday, Sept. 29

9:30 a. m.—Second convention session. "Insurance Merchandising."

Discussion: "1939 Model Production Methods," led by Roy A. Duffus, Rochester, N. Y., president Underwriters Board of Rochester.

Discussion: "Developing, Producing and Servicing Liability Risks," led by Harvey R. Preston, Springfield, Mass., president Massachusetts Association of Insurance Agents.

Skit: "Rejuvenate Your Sales Talks," prologue by Wheaton A. Williams, Fred L. Gray Company, Minneapolis.

Demonstration of right and wrong sales methods by George B. Stephenson and Earle Loose of the Fred L. Gray Company.

Discussion: "Fidelity Bond Sales Arguments from the Claim Angle," led by Frederick W. Selsor, New York City, legal research and claim attorney, Fidelity & Casualty.

Commentator: W. Eugene Harrington, Atlanta, past president National Association of Insurance Agents.

General open discussion.

2 p. m.—Third convention session. Greetings from the American Association of Insurance General Agents, L. B. Daniels, Seely & Co., San Francisco, president.

Address: "What's in a Name?" Wade Fetzer, Jr., W. A. Alexander & Co., Chicago, vice-president Illinois Association of Insurance Agents.

Address: "Cooperation Between Casualty and Surety Companies and Their Agents," Ray Murphy, New York City, assistant general manager Association of Casualty & Surety Executives.

Unfinished business.

New business.

Presentation of awards:

President's Membership Cup, Des Moines Attendance Cup, Detroit Association Cup, Sparlin Cup, Woodworth Memorial.

Report of committee on nominations.

Election of officers.

7 p. m.—Past presidents' dinner, W. Owen Wilson, Richmond, chairman advisory committee, presiding.

9 p. m.—Annual national association ball.

Friday, Sept. 30

9 a. m.—Golf tournament.

Blue Goose Now in Annual Muster

(CONTINUED FROM PAGE 3)

ment providing for the incorporation of the grand nest. The grand nest officers would become the trustees of the order. A second amendment proposed provides a uniform procedure for a change of name of any pond.

With the adoption of changes and additions to the ritual at the last grand nest meeting, the report of the ritual committee prepared by Francesco Soley, chairman, said no further suggestions were made the past year and that the revised form of ritual apparently is quite satisfactory.

The jurisprudence committee report, submitted by Thomas B. Donaldson, chairman, commented on the recurrent question of eligibility to membership. The principal question appears to involve eligibility of men employed in whole or in part by other than fire companies. In spite of the clarity and intent and wording of the constitution, many so-called border-line cases have been submitted to the jurisprudence committee for rulings.

Since the differentiation between the fire and casualty business is a bit hazy, some members expect a general realization sooner or later of the trend toward less and less definite demarcation be-

tween the two. For the present, however, the question of eligibility of candidates is expedited by the amendment adopted last year at Vancouver, which added the definite question of whether the applicant receives the major portion of his compensation from other than fire insurance companies.

Pond Publications Increasing

The objectives of the educational committee were stated by Allen Guy, chairman, as twofold: To urge each pond to name an educational committee and in its own way promote educational activities, and, second, to urge each pond to issue some kind of a pond publication. The Ohio pond is now publishing "Pin Feathers"; Wisconsin home nest, "Cacklings"; Georgia pond, "Cracker Gander"; Kentucky pond, "Kentucky Honk," and Seattle pond, "Blue Goose Honk."

Commenting that the work of securing employment for members is being well taken care of by local ponds since the employment situation as far as insurance is concerned has eased considerably, C. M. Cartwright, chairman of the employment committee, said the grand nest committee is now seldom called upon for service.

A conference of grand nest officers headed by Most Loyal Grand Gander J. Clark Buchanan was held prior to the meeting. Conduct of the meetings, reports of officers and committees were discussed. Suggested changes in the constitution and bylaws were discussed.

Monday was given over to the meeting of the executive committee, the sessions lasting all day, the reports of the officers and committees being taken up and approved, as presented, for putting before the delegates when the grand nest sessions opened.

The committee also reviewed the business of the order for the year just closing, and received reports that all the recommendations made by the 1937 convention at Vancouver had been carried out.

Hensley Welcomes Visitors

At the formal opening of the business session a welcome address was given by Most Loyal Gander E. E. Hensley of the California pond, host to the convention. After introduction of the grand nest officers the meeting was turned over to Most Loyal Grand Gander J. Clark Buchanan, who introduced President W. S. Rosecrans of the Los Angeles Chamber of Commerce for an additional word of welcome.

The grand nest then went into secret session for the model initiation staged by the special degree team from the San Francisco pond. Candidates initiated were R. B. Goodcell, California commissioner; A. P. Stich, special agent Springfield Fire & Marine, and R. A. Bradley, Fire Companies Adjustment Bureau.

Registration was in excess of 400 when the convention started. The golf tournament was held Tuesday at the Wilshire Country Club. For the non-golfers, the California pond had provided cars for a sightseeing tour.

Women visitors to the convention spent the afternoon in a tour of the Huntington Library at San Marino. About 500 ganders, their wives and guests participated in an informal reception at headquarters at 7 o'clock, followed by a dinner dance.

C. A. (Pat) Coffey seems to have the inside track for election as grand keeper although two others may be placed in nomination.

Winners at golf were C. A. Coffey, Washington pond; William Meeks, Kentucky; Rich Stanley, Utah-Idaho; L. N. Brainerd, Oregon; W. E. Horton, South Texas; J. S. Hurry, J. P. McHale and Ralph Reynolds, California.

New offices of Edward Brown & Sons have been opened at 660 Empire building, Seattle. C. A. Wendler is Seattle manager.

F. J. Janda, 59, local agent at Hartland, Wis., died there after a brief illness.

POINTERS FOR LOCAL AGENTS

Questions on Extended Cover Form Are Answered

Various factors involved in selling the extended coverage endorsement are brought out in questions and answers prepared by Peyton B. Bethel, secretary of the Kentucky Association of Insurance Agents, and Harvey G. Snider, Western Actuarial Bureau.

Question—The motor vehicle clause of the extended coverage endorsement excludes loss caused by any vehicle "owned or operated by any tenant of the described premises". In a large office building, there are many tenants. Assume that one of these tenants, on his way to church on Sunday, or to a movie at night passed the building in his car, lost control of the automobile and crashed into the building, doing considerable damage. Would the loss be covered?

Answer—The wording of the extended coverage endorsement would seem to clearly exclude such loss.

Question—Why are "civil commotion" and "insurrection" left out of the new extended coverage endorsement, and how do they differ from "riot" which is left in new form?

* * *

Answer—"Civil commotion" and "insurrection" do not appear in the new extended coverage endorsement because they might possibly be interpreted or held to afford, in some instances, the practical equivalent of war coverage. The difference between riot, civil commotion and insurrection seems to be largely one of degree. The event may start as a riot and if, as such, results in an uprising among a mass of people which occasions a serious and prolonged disturbance and infraction of civil order not attaining the status of war, or an armed insurrection, it then becomes civil commotion; whereas if it reaches the state of open and active opposition of a number of persons to the execution of the laws, and is of a character so formidable as to defy for the time being the authority of the government it becomes insurrection.

Question—Does new civil authority endorsement No. 26C apply to the extended coverage endorsement if the endorsement is attached to a fire policy?

Answer—The standard civil authority clause was designed for attachment to the standard fire policy and as will be apparent from a review of its wording was intended to apply in connection with fire coverage. However, its provisions would no doubt be held to extend to the perils enumerated in the extended coverage endorsement although the standard civil authority clause is being revised to indicate that it does not apply to wind-storm.

* * *

Question—Why is it necessary to pay the pro rata fire premium to reinstate a policy after loss by coverage set out in the extended coverage endorsement?

Answer—When the extended coverage endorsement is attached to a fire policy it is intended to represent a single indivisible contract under which there is only one amount of insurance as the maximum liability and that is the amount shown on the face of the fire policy. If, under a \$5,000 fire policy with the extended coverage endorsement attached, a \$2,000 wind-storm loss occurs, then it follows that the entire amount of the policy is reduced to \$3,000

against any or all perils; or stated differently, there was originally \$5,000 insurance which has now been reduced to \$3,000 by virtue of the loss. Since it has been shown that the entire face amount of the policy has been reduced to \$3,000 against all perils, it should be obvious that the company earns premium (from date of loss to expiration of the policy) on \$2,000 fire and extended coverage insurance. Therefore, in reinstating the policy to its original amount the cost of reinstatement must be based upon the sum of the fire and extended coverage rates.

The feeling was generally expressed by attorneys, adjusters and others that the former reinstatement clause in the supplemental contract which permitted reinstatement of a supplemental contract loss at pro rata of the supplement contract rate would be a strong argument for holding that the supplemental contract was divisible from the fire policy, which would probably mean that an amount of insurance equal to the face of the fire policy would be applicable to each peril individually rather than in the aggregate.

* * *

Question—Are explosions of domestic heating and hot water equipment cov-

ered by extended coverage endorsement?

Answer—Since domestic heating and hot water equipment is not excluded by the explosion conditions of the extended coverage endorsement there would seem to be no reason why such explosions would not be covered, unless, of course, classing as steam boilers, or equipment of the type excluded by the explosion conditions of the extended coverage endorsement.

* * *

Question—Is the wind-storm portion of the extended coverage endorsement identical with the separate tornado policy?

Answer—The two paragraphs comprising the windstorm conditions of the extended coverage endorsement are not absolutely identical with the corresponding provisions of the various separate tornado policies used in this field, but are practically so, and we believe for all practical purposes may be so construed.

* * *

Question—Is smoke damage from a nearby fire covered by the extended coverage endorsement?

Answer—Smoke damage from a fire outside the insured's premises would not be covered by the smoke provisions of the extended coverage endorsement. The phrase reads "while contained in or on the premises owned or occupied by the insured and described in this policy," following enumeration of the various classes of heating equipment in the stipulations, limitations and conditions.

tions applicable to smoke in the extended coverage endorsement.

Question—Are metal stacks, awnings and signs covered by the extended coverage endorsement? Are water tanks on roofs covered?

Answer—Metal smoke-stacks, signs and awnings are covered if properly mentioned in the fire form or descriptive form attached to the fire policy or in separate endorsement. There is no exclusion of water tanks on roofs and hence we believe these would normally be construed as part of the building and covered in the same manner as any other part of the structure proper.

* * *

Question—Is the plate-glass clause in the extended coverage endorsement different from the same clause in the tornado policy and the old supplemental endorsement?

Answer—The glass pro rata distribution clause is in effect the same as that appearing in the separate tornado policy except that in the extended coverage endorsement it is applicable to all perils. It is likewise the same in effect as that appearing in the supplemental contract except that the clause in the latter was applicable to wind-storm only.

Question—If dwelling house form attached to policy covers fences, sidewalks, driveways, etc., are they covered under all provisions of extended coverage endorsement, if it is attached to policy?

Answer—In our opinion, fences, sidewalks and driveways would be covered against all extended coverage perils except aircraft and vehicles.

Question—Why is loss from "vehicles" running on water (water craft) excluded from extended coverage endorsement?

Answer—In drafting the new extended coverage endorsement the consensus of opinion was that the extended coverage endorsement should not go so far as to cover loss occasioned by water craft.

Meaning of "Usually Attached"

W. J. Welsh of the Mann, Barnum, Kerdolff & Welsh agency, Kansas City, writes:

"Do you mind if we make objection to a statement made in your 'Answers' column on Page 25 of the issue of Aug. 18? You state the automobile fire and theft policy does not insure equipment not attached to the car, and in justification, quote the standard policy phrase 'the equipment usually attached thereto.'

"We have had instances where the companies, after first declining to accept liability for loss of equipment 'not attached to the car' have finally admitted that although the policy was never intended to cover equipment that was not attached, it is unfortunately phrased and if the stolen or destroyed equipment is of the type which is 'usually attached' the companies cannot decline liability. Typical is the fact that trucks many times carry spare tires and wheels in the cabs or body of their equipment and not attached. As long as that equipment does not fall within the cargo exclusion of these forms and because it is of the type 'usually attached,' the fact that it was not attached at the time of the loss or damage does not preclude recovery."

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* * *

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Ohio Program Is Announced

Cullen, Fitzpatrick, Wolff and Schaufler Among Speakers at Akron Meeting Oct. 17-19

John A. Lloyd, secretary of the Ohio Association of Insurance Agents, has announced the tentative program for its annual convention in Akron Oct. 17-19. Registration will open Monday morning, Oct. 17. That afternoon the annual Ohio insurance golf tournament will be held. Alternate entertainment is a trip through Akron factories. The trustees will meet at 6:30 and at 7:30 there will be a golfers' buffet, when the tournament golf prices will be awarded.

Vice-President L. Calvin Jones of Youngstown will call the convention to order at 10 a. m. Tuesday. Mayor Lee D. Schroy will give an address of welcome, as will Wilford Holcomb, president of the Akron association. The response will be by I. S. Hewitt of Youngstown, trustee of the Ohio association. The rules committee will report and F. Austin McElroy of Columbus will deliver the president's address. Following this there will be a departmental conference hour with Raymond Rhoads and L. U. Jeffries of the Ohio department as leaders.

Wolff Is Luncheon Speaker

Allan I. Wolff, Chicago, past president National Association of Insurance Agents, will speak at the luncheon at the afternoon session. C. J. Fitzpatrick, secretary United States Fidelity & Guaranty, will speak on "Advertising," and a representative of the field club will talk on "Field Men and Agents Cooperating." "How Inland Marine Business Can Be Developed to Raise the Income of a Local Agency" will be discussed by Grant Bulkley, Chicago, secretary western department, Springfield Fire & Marine. At the banquet Mayor J. G. Stewart of Cincinnati will speak.

At a rural agents' breakfast the next morning, with P. W. Tribble of Bellevue, chairman of the rural agents committee, presiding, Dennis C. Smith of the farm and hail department of the America Fore group, Chicago, will speak on "Underwriting the Farm Business." A discussion of rural and farm problems will follow.

The convention will reconvene at 10 o'clock with reports of the credentials, resolutions and nominations committees and officers will be elected. Addresses will be delivered by Superintendent Bowen of Ohio; H. K. Schaufler, New York, assistant general manager of the National Board, and Vincent Cullen, president National Surety. Mr. Schaufler will be the luncheon speaker. Then will follow the installation of officers, awarding of attendance prizes and another tour of Akron industries.

Fullington Wichita President

WICHITA, KAN.—New officers elected by the Wichita Insurers are: President, Howard N. Fullington, Duane, Johnston & Priest; vice-president and chairman of the executive committee, Victor Henry, Kessley-Henry Agency; secretary-treasurer, H. V. Schott, Smith, Stone & Snyder, reelected for his seventh term.

W. D. Hales of the engineering department of the Maryland Casualty, Kansas City, spoke on the causes and cures of industrial and motor vehicle accidents. President Byron S. Chapell urged all officers to invite their company executives to attend the annual meeting of the Kansas Association of Insurance Agents in Wichita Oct. 5-7.

Dec. 1 Detroit Clearance Date

Agencies Not Conforming with New Rules at That Time Will Be Subject to Suspension

DETROIT—Members of the Detroit Association of Insurance Agents have been given until Dec. 1, 1938, to clear their agencies of companies considered ineligible for representation. This regulation was adopted at a joint meeting of the grievance committee and the board of directors held for the purpose of setting up the machinery for enforcement of the clearance rule, which had been unanimously adopted by the association at a meeting July 28.

The clearance rule prohibits members of the association from representing any fire or casualty companies which are represented by any agent or agents who also represent mutual or reciprocal fire and casualty carriers, and also prohibits members from placing business with or accepting business from any agents representing mutuals or reciprocals.

Under the new setup, the grievance committee is to prepare and distribute to the members a list of all companies whose agency appointments are not in accord with this clearance rule, the list to be in the hands of the members not later than Sept. 15. Members who do not conform to the clearance rule by Dec. 1 will be subject to immediate suspension.

Shape Kansas Meeting Plans

Golf Tournament to Precede Main Sessions on Oct. 6—Plan Breakfast Conferences

WICHITA—Plans for the annual convention of the Kansas Association of Insurance Agents in Wichita Oct. 5-7 are rapidly shaping up. Frank T. Priest, program chairman, has completed a tentative program. Starting with the golf tournament Oct. 5 at 1 p. m. at the Crestview Country Club, a busy schedule follows until adjournment noon on Oct. 7. Golf prizes will be awarded at the smoker following the tournament. The executive committee meets at dinner the evening of Oct. 5.

Morning and afternoon sessions on Oct. 6 will be followed by the annual banquet and entertainment including a dance in the evening. All the main sessions will be held at the Lassen Hotel. Subjects to be discussed include: "Automobile Financing," "Marine Opportunities," "The National Association," "Opportunities in Casualty Insurance" and "The Financial Responsibility Law."

Breakfast conferences start the closing program Oct. 7, three groups being scheduled, rural and farm agents, agents from local board cities and insurance women's conference. Committee reports and the election take up the morning program.

Protests Insuring of Housing Projects in East

DETROIT—In a communication addressed to the Detroit Housing Commission, A. I. Dreifus, president Detroit Association of Insurance Agents, vigorously protests the placing of the fire, windstorm, boiler and liability insurance on the Parkside and Brewster housing projects with a Washington insurance agency rather than with Detroit agents.

He points out that under the proposed lease between the United States Hous-

ing Authority and the Detroit Housing Commission, this is to be charged against the operating expenses of the projects, to be paid for by the Detroit Housing Commission, yet the federal organization places the insurance in Washington.

Should the association eventually be successful in getting this business placed locally, it will be handled by the Detroit Board.

Michigan Revises Code for Public Adjusters Work

LANSING, MICH.—The Michigan department, after several weeks of investigation, study and conferences has issued an amended set of regulations for the conduct of public adjusters. There have been numerous complaints, emanating especially from the Detroit area, regarding the activities of some licensed adjusters for the assureds, particularly those either functioning as repair contractors themselves or working in close association with contractors.

Seth Burwell of the insurance department's licensing division has perfected the amended regulations which have been approved by Commissioner Gauss and go into effect immediately.

"Any adjuster who stands in the dual capacity of both contractor and adjuster must completely divorce these two activities," says the new code. "The duties of contractors and adjusters are dissimilar and are, in fact, antagonistic to each other. The adjuster for the assured is one who represents an assured in the adjustment of claims under an insurance policy and any activities toward such adjustment, either directly or indirectly, shall be subject to the rules and regulations attached."

Every public adjuster must enter into a specific contract with an assured, using a department-approved form. In addition, a new rule provides that the adjuster must maintain full records of all his transactions which shall be available for inspection by the department at any time.

The records must show: "(1) The name of the assured; (2) The date, location and amount of the loss; (3) The name of the insurer, amount, expiration, date and number of each policy of insurance carried with respect to such loss; (4) An itemized statement of all recoveries by the assured from all sources; (5) The name or names and addresses of any person or persons soliciting the adjustment and the date and time when solicited; (6) The total compensation received for adjustment and the amount of commission, salary or compensation paid to each employee and solicitor."

A new rule also forbids an adjuster

from attempting to solicit a loss during the progress of a fire.

Concerned Over Bryan Candidacy

LINCOLN, NEB.—Nebraska insurance interests are threatened with a condition that may force them to take a more or less active part in the political campaign. Former Governor C. W. Bryan, who has been charging that the insurance department has been operated in the interest of the insurance companies and claims to have evidence to support his contentions, is almost certain to enter the campaign as an independent. He has served three terms, not consecutively, and not only kept down appropriations for the department but operated it for months with the chief clerk as head when it was a part of the department of trade and commerce. Petitions placing him in nomination are in circulation and are being widely signed.

Honored for Long Service

L. J. Fischer, Indiana state agent Home of New York, and F. J. Florack, special agent, awarded 25-year service medals this week to John H. Landreth, Mitchell, Ind., and L. T. Stevens, Oaktown.

Indiana Department Report

The annual report of the Indiana department shows that for the fiscal year ending June 30, 1938, it collected \$2,249,178 in taxes and fees. Fire companies paid taxes \$362,947 and a fire marshal tax of \$83,906. Life companies paid \$1,267,677 in taxes and miscellaneous companies, \$383,331. Insurance fees totaled \$151,315. The department operated under an appropriation of \$71,132 but used only \$65,437 of this, leaving an unused balance of \$5,694. It collected in fees and taxes \$2,183,741 more than was used in its operation.

Kansas City, Kan., Board Elects

KANSAS CITY, KAN.—Russell Benton of Merriam, Ellis & Benton was elected president of the local board here at its annual meeting. Harry A. Smith, Hoke & Smith, was named vice-president, and Gilbert Henry, R. K. Stiles & Co., secretary-treasurer.

George McAnany of the McAnany Agency and Cheney Prouty of Prouty & Co. are the two new members of the executive committee.

Prepare for Quincy Outing

Leaders in Quincy, Ill., are now laying plans for the annual fall celebration of the Quincy Board of Underwriters. A definite date has not been selected, but it is likely to be either Oct. 5 or Oct. 12.

IN THE SOUTHERN STATES

Crop Control Law Demands Special Rider for Cotton

ATLANTA—Lloyd T. Wheeler, manager of Southeastern Underwriters Association, has notified local agents in his jurisdiction that the proper limited liability endorsement must be attached to policies and certificates covering cotton in the S. E. U. A. territory, because of provisions of the United States agricultural adjustment act of 1938.

The clause reads:

"Notwithstanding any of the other terms and provisions of the policy to which this endorsement is attached and made a part, it is understood and agreed that on all cotton which shall have been produced in excess of the quotas fixed under and pursuant to the agricultural adjustment act of 1938 and subject to

the penalties therein provided as to such cotton, the price or value, in the event of loss or damage, shall be the amount determined by subtracting from the market value of such cotton, as provided for in the said policy, the amount of the penalty provided in said act on the marketing of such cotton; unless said penalty has already been collected as to such cotton."

"Suggests" Audited Reports for Non-Stock Carriers

LOUISVILLE—The Kentucky insurance department has sent out a letter to mutuals and reciprocals operating in Kentucky suggesting that their daily reports be audited by an audit bureau.

The indications are that if they do not fall into line with the suggestion,

there will be a ruling forcing all daily reports to be audited, the same as daily reports of stock fire companies.

Local agents of stock companies here and over the state have favored such a program for a long time as a method of preventing mutuals and reciprocals using actuarial bureau rates merely as a guide for making their own rates, and then cutting them through various methods. News of the action by Insurance Director Goodpaster was hailed with delight by the agents.

"In view of the possibilities that errors might pass unnoticed which could be interpreted as unfair practice, and would result in discrimination between policyholders, this department asks that for the good of the insurance business that mutual and reciprocal companies, as well as stock companies, avail themselves of a rating bureau's auditing service," said Mr. Goodpaster in his letter.

Moore to Resign Oklahoma Insurance Board Post

OKLAHOMA CITY — Avery C. Moore announces that he will probably file his resignation as secretary to the Oklahoma insurance board about Oct. 15, to enter the insurance business.

Mr. Moore was appointed in September, 1937, to succeed Sharpe W. Philpott, resigned to enter the race for insurance commissioner, in which he was defeated. Previous to his association with the insurance board, Mr. Moore had been manager of the state insurance fund for 18 months.

Because of the pending inauguration of the new governor in January it is considered doubtful whether Governor

Marland will appoint a new secretary before his retirement. Abolition of the post of secretary to the board is favored by both Mr. Moore and Commissioner Read, who is also president of the board. They contend that this office is superfluous and in order to avoid confusion, all insurance activities should be placed under the jurisdiction of the commissioner.

Mr. Moore said this recommendation will be embodied in a report to the next legislature by a committee authorized at the last session, to revise all Oklahoma statutes.

Wertheimer with Sloan & Co.

Mark Wertheimer, with the Texas General Agency Company of San Antonio for 7½ years, has joined the Sloan & Co. general agency of San Antonio as special agent for southwest Texas.

Cites Reciprocal Failures

SAN ANTONIO, TEX.—In connection with the recent failure of two large Texas reciprocals Secretary F. F. Ludolph called the attention of San Antonio Insurance Exchange to the need for cooperation of all local agents who are members in the exchange in the observance of organization rules with regard to placing risks and enforcement of penalties when necessary. He stressed the danger of an agent losing his standing with assured through placing risks with reciprocals which may fold up, and cited a case where an assured said his casualty business had been placed with a reciprocal by the agent without the knowledge of the assured. Because of this unauthorized action assured said the agent would lose all other risks he controlled. The loss of premium in this particular case will more than counterbalance any gain from the casualty business which had been placed with the reciprocal.

More Terminal Hotel Suits

ATLANTA—New suits continue to be brought against the Terminal Hotel owners and operator. Additional suits, totaling \$290,420, were filed last week. Court records show that 15 damage suits growing out of the fire have been filed.

Eifler Moves to Tampa

TAMPA, FLA.—Headquarters of the Florida Insurance Agents Association have been moved from Jacksonville to this city, which is the home of Mitchell Stallings, president. Secretary A. C.

Eifler will open offices in the First National Bank building in a few days. In the meantime he is making a tour of the state. Headquarters follow the president, Mr. Eifler moving with L. P. McCord from Tallahassee to Jacksonville, and now, with President Stallings, to this city.

Arkansas Insurance Legislators

LITTLE ROCK, ARK.—Three Arkansas insurance men will be members of the next legislature. Armin Taylor of Clarksville was renominated for the senate. John R. Fordyce, Jr., of Fordyce, Reed & Co., Little Rock, will be in the house. This is his first venture into politics. Julian James of the Equitable Life will be a representative from Craighead county.

Distilleries Denied Protection

LOUISVILLE — Distilleries located in Shively township south of Louisville will be denied fire protection by Louisville after Sept. 1. The distilleries blocked the annexation of the township by the city which was attempting to thus increase its revenue from whisky taxes. It is understood that Shively will install a full-time fire department so as not to affect the distillery insurance rates.

Tennessee Fire Premiums

Fire insurance premiums in Tennessee for 1937 reached \$12,819,885, a new high in comparison to the past five years, according to Manager John D. Saint of the Tennessee Association of Insurance Agents. Premium gain in 1937 over 1936 was \$1,549,000.

Stock companies did 90.4 percent of the business, receiving \$11,607,304. Out-of-state mutuals came next with 7.3 percent, totaling \$936,410. County assessment mutuals did 1.1 percent. Reciprocals, Lloyds and Tennessee mutuals had a combined showing of 1.2 percent of all business.

Plan for Tennessee Convention

Preparations for the annual convention of the Tennessee Association of Insurance Agents at the Peabody hotel in Memphis Oct. 13-14 are rapidly being developed by Manager John D. Saint, who anticipates a large attendance. It is expected that the eastern division representatives will travel to Memphis in a special air conditioned Pullman train.

Is Hard Worker in Washington Body



IRWIN MESHER, Seattle

Irwin Meshier of Seattle, executive secretary of the Washington Insurance Agents League, is the man behind the guns in that organization. It is holding its annual meeting this week in Spokane.

desiring to enter the business, Mr. Appleton outlined the educational program now in effect in California in cooperation with the extension division of the University of California. Students taking the summer correspondence course now number 240. It is planned to hold insurance classes in some 30 cities in California.

H. E. Charlton Is Speaker

H. E. Charlton of the Seyler-Day Co., Los Angeles, spoke at the meeting of the Redondo-Hermosa-Manhattan Beach Insurance Agents Association on the benefits to be derived from organized effort, pointing out the scope of the National, state and local associations in getting better qualified men into the business and raising the standards of the business. It was announced that the high school insurance line had been awarded through a committee of the association, each member being given his proportionate share of the business.

Adjusting Big Brewery Loss

Staff Adjuster Mansfield of the Portland office of Fire Companies Adjustment Bureau is handling the adjustment of a \$100,000 loss on the Star Brewery at Vancouver, Wash.

Falconer Heads Legion Post

SAN FRANCISCO—E. A. Falconer, insurance attorney, has been elected commander of Insurance Post 404, American Legion. Other newly elected officers, who will be installed Sept. 29, are: Willis Ullrich, insurance broker, first vice-commander; Hugh Higginbottom, secretary State Compensation Insurance Fund, second vice-commander;

PACIFIC COAST AND MOUNTAIN

Unfit Curbed in California

Companies Have Cancelled 3,000 Licenses in Last 60 Days, Oregon Agents Are Told

PORLTAND, ORE.—Cancellations by companies of agencies failing to qualify under the California declaration of guiding principles reached a peak in the last two months, G. C. Appleton, Fresno, Cal., declared at the Oregon State Agents Association annual meeting here. National councillor of the California Association of Insurance Agents, Mr. Appleton took a leading part in the organization of the far west territory association of national councillors' group in February and is chairman of the group. He said that according to insurance department figures, more than 3,000 cancellations were made during the last 60 days, with approximately 1,000 cancellations in the Los Angeles territory alone.

Mr. Appleton said enactment of the qualification law in California has resulted in a certain degree of relief but has not entirely solved the problem. He also traced the development of the declaration of guiding principles now in force in California, with some 84 offices

representing 270 fire, casualty and surety companies. He said that since the signing of the declaration of guiding principles began there have been many glowing examples of company cooperation in the cancelling of agencies not qualifying. He urged that agents show "a little more caution as to whom we do business with if we ever hope to place this business upon the proper plane."

Sees Spread of Program

Mr. Appleton said that the program, if proven successful in California, might well be extended to other states in the far west territory but that until its success has been demonstrated any such attempt should be discouraged. Instead, he said, it would be well for each state association to give first consideration to the building of strong local and state organizations and to the education of its membership as to their obligation to support only companies that subscribe to proper practices.

"Unless you develop within your ranks a thorough understanding on the part of your membership as to their responsibility, no program can possibly succeed," he said.

Pointing out that in the development of a standard of qualification for producers consideration must be given to providing educational facilities to those

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Henry Boos, auditor Pacific Board, finance officer, D. E. Eveleth, manager automobile department Pacific National Fire, judge advocate; Ben Otten, London & Lancashire, chaplain; R. C. Allerman, Hinchman, Ralph & Landis, adjutant; Wesley King, claims broker, historian; Barney Hogan, General Fireproofing Corporation, sergeant at arms; Norman H. Elkington, insurance attorney, service officer.

Newly elected members of the executive committee are: E. F. Zimmerman, chief accountant Massachusetts Bonding, C. G. Landresses, London Assurance; B. E. Chapin, Rathbone, King & Seeley, and S. C. Arndt, Finn, Elbow, Medcraft.

Utah Committee to Meet

The Utah committee, composed of C. E. Raybould, Salt Lake City, chairman; Fera S. Young Ogden; A. W. Hatch, Logan, and C. E. Bohn, Oregon, will meet with the states committee of the Pacific Board in San Francisco, Aug. 29.

Attorney Is Spokane Speaker

SPOKANE, WASH.—Lester Edge, Spokane attorney, spoke before the Spokane Insurance Agents Association on public liability insurance and the contractual or assumed liability hazard.

Recrops Sacramento Office

Commissioner Goodcell of California has reopened the Sacramento branch office. Mrs. Harriet O. French, formerly in charge of that office prior to its discontinuance in September, 1935, is to be in charge.

To Extend F. U. A. P. Courses

SAN FRANCISCO—The organization meeting of the educational courses conducted by the Fire Underwriters Association of the Pacific will be held Aug. 31, according to Joy Lichtenstein, chairman of the executive committee. It is expected that plans will be completed for extension of the courses.

Boost Seawell Candidacy

Headed by H. J. Thielen of Sacramento, past president California Association of Insurance Agents, a statewide group of local agents and brokers calling themselves "Insurance Associates for Seawell for Lieutenant Governor" are aggressively campaigning throughout California for the election of Mr. Seawell. A prominent local agent himself, Mr. Seawell has been a member of the California legislature for 10 years, in both the assembly and senate. He is

now a state senator. Prominent figures in the California Association of Insurance Agents who are members of the group include N. B. Swett of Fresno, past president of the organization; Eugene Battles and W. H. Menn, Los Angeles, also past presidents; W. D. Agnew and Harry Schroeter, Oakland; Stephen Malatesta, president Insurance Brokers Exchange of San Francisco; French & St. Clair, San Francisco brokers; D. B. Goldsmith, president California association; M. O. Robbins, Santa Ana, and W. T. Rambo, San Jose.

EAST

New York Agents to Survey Branch Office Competition

Contending that all branch offices operated in New York state, even in New York City, by agency companies, should be eliminated, the executive committee of the New York State Association of Local Agents at its meeting in Syracuse instructed President R. M. L. Carson to appoint a special committee to survey branch office competition.

The committee was particularly aroused about reports that many companies are writing the big lines through their branch offices leaving only the relatively small pickings for the agents. Another sore point is the practice of some offices, particularly casualty company branches in large centers, of housing brokers as office agents and paying them the same commission scale as the regular agents. It was said that frequently these office agents get so much in the way of free rent, telephone and stenographic service that their scale of compensation is actually higher than that of the regular agents.

Branch Overhead Termed Higher

The point was made that the overhead operating cost of branch offices is higher than the acquisition cost permitted agents in the same territory.

The association is studying the advisability of asking companies to broaden their coverage instead of cutting fire rates. The safe driver reward plan and the similar plan proposed in New York came up for discussion but no action was voted.

Delegates to the annual convention of the National Association of Insurance Agents in St. Paul next month will be R. M. L. Carson, Glens Falls, president; J. W. Rose, Buffalo, secretary; F. L.

Greeno, Rochester, national councillor, and F. J. Marshall, East Aurora, chairman farm underwriting committee.

Situation on New Jersey "State Account" Explained

NEWARK—Disturbing rumors have been going around insurance circles in New Jersey and New York concerning the so-called "state account" in New Jersey. The situation is explained as follows:

"In 1935 the New Jersey commissioner of banking and insurance arranged with the American of Newark to issue its policies on all properties belonging to the distressed lending institutions for which the commissioner was trustee, conservator, rehabilitator or liquidator, and this business was distributed to the 90 companies, whether domiciled in New Jersey or from out of state, which had written the previous year as much as 1/4 percent of the total fire premiums in New Jersey."

"Many of these lending institutions have been returned to their own management and the commissioner is no longer responsible to provide insurance on their properties. The properties remaining to be insured under this contract are so few and the premium volume so small that the commissioner contemplates reducing the number of companies dividing the business. In the last month for which accurate figures are obtainable, the premiums under the entire account were less than \$3,000."

"No new contract has yet been made, but nothing in the plan now being considered by the commissioner and the interested companies contemplates any change in the participation in the account by the agents of New Jersey. It is planned that they shall continue to service the account and issue the policies as heretofore."

New Philadelphia Office

PHILADELPHIA—The National Union Fire of Pittsburgh has opened a new branch office here to handle the Philadelphia and suburban departments. The office is at 138 South 4th street, in the heart of the Philadelphia insurance district.

R. A. Heins, experienced in branch office work here and popular on the "street," is manager of the office. His previous posts were Philadelphia manager of the Alliance and assistant manager of the Philadelphia branch of the Home group. Prior to taking the National Union position, he had conducted a general agency for the Pearl. E. G. Wickham, special agent for the territory, also is making his headquarters in the new branch office.

Seeks Emergency Funds

BOSTON—The Service Men's Protective Association is sending out a circular letter to general agents seeking an emergency fund to carry on during the summer months. Contributions on the basis of \$4 per head are asked of Boston general agents, based on their number of employees, with promise of a rebate of \$2 each if possible. The communication intimates the association expects later to secure funds "through channels which at present give promise of yielding adequate financial support by early autumn."

Maryland Meeting Oct. 13-15

The annual convention of the Maryland Association of Insurance Agents will be held at the Fort Cumberland Hotel, Cumberland, Md., on Oct. 13-15. Avery W. Hall of Salisbury is president and Shirley Kilmer, Baltimore, secretary.

Hold Up Consolidation

BOSTON—The proposed consolidation of the Boston Board with the New England Fire Insurance Rating Association, which was believed assured by the recent favorable vote of the Boston

Board, has not as yet taken place and operation of the proposed new single rating association probably will not be in working order until fall.

Immediately after the Boston Board accepted the merger plan and terms of a protecting bond, all employees were notified to be prepared to be reassigned to new duties. Later these orders were rescinded and both the New England Exchange and Boston Board have continued their activities as formerly.

The lease is still in the hands of attorneys and has not been signed, although the full membership of the board has signed releases.

Pennsylvania Speakers Given

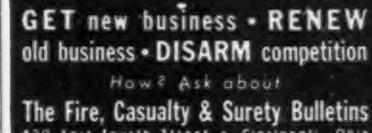
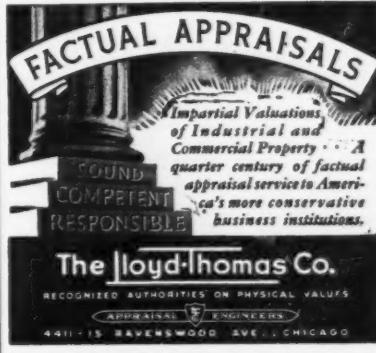
HARRISBURG, PA.—The annual convention of the Pennsylvania Association of Insurance Agents, Sept. 12-14 at Wernersville, Pa., will have on its program Vincent Cullen, president National Surety; L. E. Falls, vice-president American of Newark; Ray Murphy, assistant general manager Association of Casualty & Surety Executives; W. Owen Wilson, past president National Association of Insurance Agents, A. R. Menard, assistant director Business Development Office. Sessions will be held at Galen Hall.

Mr. Falls' topic will be "The Value of an Agency."

N. J. Agency Regains Line

The Storrie & Budd agency, Woodbury, N. J., has recaptured a local lumber yard risk that had been in the mutuals for several years, with the aid of Thomas McNamee of the Potomac Fire, who developed a rate reduction of 30 cents by schedule and engineering service.

STANLEY M. WHEELER of the W. J. Wheeler & Co agency, South Paris, Me., has been presented a silver pitcher in recognition of 25 years service as agent of the Great American. Special Agent Emil Ribbe made the presentation.



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• CASUALTY COURT DECISIONS •

Law Doesn't Permit Fraud

Exception Found to Alabama Statute Requiring Endorsements to Be Physically Attached to Policy

The Alabama supreme court, in *ex parte Robinson*, states an exception to the law that subsequent documents, modifying the contractual obligation of the insurer in its interest, become a part of the policy only when physically attached thereto.

The assured had a health insurance policy and collected for a loss in connection with a case of hernia. The insurer required thereafter that the assured execute an agreement striking out the coverage of hernia. This release agreement was delivered to the assured but he did not attach it to the policy. Another hernia developed and the assured prosecuted a claim on the theory that the release never became a part of the policy.

The supreme court held that inasmuch as the insurer had done all that was required to perfect the modified contract except the physical act of attaching the two papers to each other, trusting to the assured's express stipulation so to do, the suit cannot be viewed otherwise than as an attempt of the assured to take advantage of his own failure to do what he promised to do. The law should not be permitted to serve as a weapon to perpetrate a fraud on the insurer. The writ of certiorari was denied.

Orders Money Due on Claim Applied on Premium Due

Insurer's duty to apply money due on a disability claim to payment of premium is upheld by the Illinois appellate court in *Leach vs. Federal Life*.

Leach held an accident and health policy for \$150 a month with annual premium of \$110.50, payable on or before April 30 of each year. Following a period of disability, he delivered to the company his final proof of loss on March 2, 1936, advising that the disability period had terminated Feb. 12. The policy provided that the company should pay the assured within 30 days after due proof of loss, but no payment was made until June 4, 1936, just four days after expiration of the grace period on the premium due April 30, 1936. For failure to pay the company declared the policy forfeited. After receiving the claim check, the assured sent his own check for \$110.50 in payment of the premium due April 30, but it was returned and he was informed that his policy had lapsed. He did not cash the claim check for \$310, but tendered it to defendant on trial of the case.

The court holds that the company under the policy became liable to pay plaintiff's claim to the extent of \$310 by April 2, 1936, at the very latest and that the \$310 was absolutely due him on May 31, 1936, when it is claimed his policy was forfeited for lapsation, out of which the insurance company was in equity and good conscience obligated to apply \$110.50 to keep the policy alive. The decision of the lower court, ordering the company to reinstate the policy, apply \$110.50 to payment of the premium and pay the plaintiff the balance, \$119.50, is affirmed.

Died Five Hours Too Late

A provision in a newspaper accident policy issued through the Louisville "Herald-Post," covering only where death occurs within 30 days of date of accident, is enforced literally by the Kentucky court of appeals in *Mullins vs. National Casualty*. Mullins suffered severe fractures of the skull when struck by a street car and developed traumatic pneumonia. Herculean efforts were

made to save his life and nearly \$1,000 was expended for hospital and surgical services. His doctors testified that the man never had a chance to recover and that the efforts merely prolonged life. For 24 hours before he died he was practically pulseless, but death did not occur until about five hours after the expiration of the 30 days and the court holds there can be no recovery.

Need Not Notify Employee of Cancellation

Notice does not have to be given by the insurer of intention to cancel the coverage on an individual employee under a group policy where the group contract merely provides that the employer shall notify the insurer when an employee is no longer in the service "whereupon such assurance shall by that fact alone cease." This was the decision of the Mississippi supreme court in *Magee vs. Sun Life et al.*

Magee was an employee of Illinois Central railroad, which has a group life policy with Sun Life and a group accident policy with Zurich General.

The bill alleges that in July, 1934, *Magee* became totally disabled. He was given a leave of absence and during August, September and October he paid the monthly premiums under the group policy. In December of that year Illinois Central notified Sun Life that *Magee* had ceased to be employed from Oct. 31, 1934. Sun Life then canceled the insurance.

Magee was not entitled to notice of cancellation, the court held. Whether he tendered the railroad the premium on his insurance for November, 1934, is of no consequence. Sun Life was obligated to accept premiums when, but not unless, tendered it by the railroad and had the right to cancel when notified by the railroad to do so.

Zurich paid *Magee* for his disability and at the time of *Magee*'s death, Zurich owed him \$24. The beneficiary asserted that this money should have been applied to the payment of premiums under the Sun Life contract. The court held otherwise.

Agent's Statement Held Not Binding in Florida

In decided contrast to the decisions of many courts holding that a company is bound by the representation of its agent, the Florida supreme court in *Prescott vs. Mutual Benefit Health & Accident* reaffirms a ruling made in the early days of that court which says: "As a general rule, no verbal agreement between the parties to a written contract made before or at the time of the execution of such contract is admissible to vary its terms or affect its construction. All such verbal agreements are considered as waived by and merged in the written contract."

The issue arose over statements made by an agent that a health and accident policy which insured had purchased was non-cancellable, and whether the insurer had the power under the contract to decline to renew the policy at the end of a premium payment period. The court says it is clear that the policy was a contract for a stated term, renewable for annual additional stated terms on conditions named in the policy. There is no ambiguity in the contract and therefore the language of the contract must be held to control.

Can't Collect for Sunstroke

The New York appellate division, second department, in *Dupee vs. Travelers*, decides that death from sunstroke does not fall within the definition of double indemnity benefits. The court expressed the belief that the policy does not contemplate that a very red face

and head, with the face somewhat swollen, is evidence of a visible confusion or wound on the exterior of the body.

Exclusion of Employees of Named Assured Is Upheld

The omnibus clause of an automobile policy excludes claims against an employee of the insured brought by another employee because of bodily injury to or death of such other employee in an accident arising out of the maintenance or use of the automobile in the business of the insured. This exclusion came before the South Dakota supreme court in the case of *Birrenkott vs. McManamay et al.* and was upheld. Two employees of the insured were riding a motorcycle when a collision occurred. The employee who was a passenger was injured and brought suit against the employee who was driving the motorcycle. He got judgment, but execution was returned unsatisfied. The injured employee then sought to recover from the insurance company on the ground that the driver was protected by the employer's policy. The injured employee contended that he was not an employee of the driver, and therefore the exclusion provision did not apply to him. The court ruled that at no time would the insurance company be liable for the damages sustained by an employee of the named assured while engaged in the business of the named assured.

The general exclusion of employees of the named insured was upheld by the Pennsylvania supreme court in *Dickey Jr. vs. General Accident*. While the insured was driving and the chauffeur was in the back seat there was an accident and the chauffeur was injured. He brought suit against his employer, the named insured, and won a judgment of \$10,000, which was paid by the insured out of his own pocket.

The named insured also had apparently a household employer's liability policy in the General Accident. He demanded reimbursement from the General Accident, but that company demanded contribution from the Indemnity of North America, which had the automobile policy. The North America's policy provided: "This policy does not cover (a) any liability of the assured to any employee of the assured (except household servants other than chauffeurs) while engaged in any business or occupation of the assured . . . or to any person to whom the assured may be liable under any workmen's compensation law." The court ruled that the chauffeur was "engaged in the business of the assured." It said he was not only in his general employ, but was actually on duty at the time of his fatal injury. Holding that the North America's policy did not cover, the General Accident was refused the benefit of contribution.

Wife Signed Application

In the case of *Stateman vs. Travelers Casualty*, Illinois appellate court, first district, involving an injury to insured's leg, the question was raised as to whether false answers were made in the application to the question: "Have you ever had varicose veins?" The court held that the issue could not be raised for the reason that plaintiff did not sign the application. It was signed by his wife, and defendant saw fit to issue the policy and collect the premium without further information.

There was also a question as to whether disability was continuous from date of accident. The company relied on the proviso that "the only evidence of such total disability was a continuance thereof admissible in any action . . . at law or in equity shall be proof

Pollution of Water Now Held Not an "Accident"

Death due to amebic dysentery contracted from drinking water which had been infected by the bursting of a sewer pipe in a hotel is not covered under an accident policy, insuring against bodily injury sustained solely and independently of all other causes through accidental means, the Ohio supreme court holds in *Burns vs. Employers Liability*.

While the breaking of the pipe was accidental, the amebae infected the water by an accident and consequently it was accidental that they entered the system of Burns, the court holds that the contraction of the amebic dysentery was not a bodily injury covered by the policy in question. It was not a general health policy but a limited accident policy.

Might Be Allowed

To uphold plaintiff's contention, the court says, would compel it to say that if the disease was due to any mishap, recovery might be allowed. Logically this would lead to the conclusion that all diseases are bodily injuries. There would be no difference between an accident policy and a health policy, except insofar as it would be necessary to trace the cause in the former to some mischance. To create liability under a policy insuring against bodily injury caused directly, solely and independently of other causes by accidental means, there must be evidence of some external or violent and accidental force or cause.

This decision should go far to overcome the effect of the famous Illinois case against Pacific Mutual Life a few years ago, in which it was held that the contracting of typhoid fever through the pollution of water supply was to be regarded as an "accident" and covered under an accident policy.

Minor's Status in Accident in California Is Defined

California has an automobile driver's license law which requires that the application of a minor must be sponsored by a parent or guardian or some other adult, and the sponsor becomes liable for any accidents caused by the minor he vouches for. An interesting case occurred where a minor's license expired and he did not renew it. However, he drove a car after the license expired. An accident occurred and the injured brought suit against the minor and his parents, who had been his sponsors. The California district court of appeals ruled that the liability of the sponsors expired when the license expired.

The injured tried to hold the parents under another section of the statute reading: "Also any negligence of a minor, whether licensed or not under this act, in driving a motor vehicle upon a public highway with the express or implied permission of a parent or parents having custody of such minor, shall be imputed to such parent or parents." The car driven by the minor, that was involved in the accident, was not a family car but belonged to a third person. The court said that to hold the parents under this statute it would have to be shown that they gave their consent to their son's driving the cars of other people. The case was *Sommers et al. vs. Van Der Linden et al.*

of the actual, immediate, continuous necessary confinement of the assured." It is held that this provision attempts to control the admissibility of evidence in an action at law or suit in equity and that obviously a court cannot be controlled by any such provision.



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